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# **PUBLIC DISCLOSURE STATEMENT**

**PENDAL GROUP LTD**

**ORGANISATION CERTIFICATION  
OCTOBER 2020 – SEPTEMBER 2021**


Australian Government  
**Climate Active**  
**Public Disclosure Statement**

**PENDAL**



An Australian Government Initiative



|                          |   |
|--------------------------|---|
| NAME OF CERTIFIED ENTITY | Pendal Group Ltd  |
| REPORTING PERIOD         | Financial year 1 October 2020 – 30 September 2021   |
| 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>Daniel Campbell<br/>Investment Director<br/>29 August 2023</p> |



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

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# 1.CERTIFICATION SUMMARY

|                        |  |
|------------------------|--|
| TOTAL EMISSIONS OFFSET | 2343.37 tCO <sub>2</sub> -e  |
| OFFSETS BOUGHT         | 100% VCU's   |
| RENEWABLE ELECTRICITY  | NA   |
| TECHNICAL ASSESSMENT   | Date: 26/7/2021<br>Name Sarah Colquhoun<br>Pangolin Associates<br>Next technical assessment due: 26/7/2024 |

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## 2. CARBON NEUTRAL INFORMATION

### Description of certification

Pendal Group Limited is an independent, global investment management business. We operate a multi-boutique structure offering a broad range of investment strategies. This Certification is for Pendal Group Limited's (ABN 28 126 385 822) Australian based offices, employees, and operations, (referred to herein as 'Pendal'), for the period 1 October 2020 – 30 September 2021.

The entity being Certified has been defined as the Group Parent given that employees and most contractual arrangements such as facilities and travel are held at this level.

As part of the Australian operations being certified, this includes the following Australian entities which are child companies of the noted entity:

- Pendal Fund Services Limited (ABN 13 161 249 332)
- Pendal Institutional Limited (ABN 17 123 390 627)
- Regnan – Governance Research and Engagement Pty Ltd (ABN 93 125 320 041)

This certification does not include emissions associated with Pendal Group's:

- International offices, and
- Financial investments.

These emissions are not associated with the entities covered by this Certification.

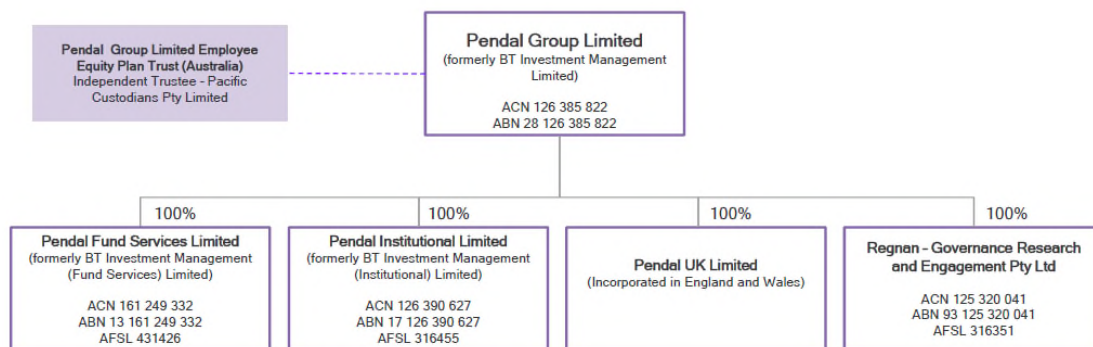
### Organisation description

Pendal Group (Pendal) is an independent global investment manager focused on delivering superior investment returns for clients through active management. Pendal manages A\$111.0 billion in FUM (as at 30 June 2022) through J O Hambro, Europe, UK & Asia; JOHCM USA; TSW USA; Pendal Australia and Regnan.

Pendal operates a multi-boutique style business across a global marketplace through a meritocratic investment-led culture. Its experienced, long-tenured fund managers have the autonomy to offer a broad range of investment strategies with high conviction based on an investment philosophy that fosters success from a diversity of insights and investment approaches.

Listed on the Australian Securities Exchange since 2007 (ASX: PDL), the company has offices in Sydney, Melbourne, London, Dublin, Prague, Paris, Singapore, New York, Boston, Berwyn and Richmond.

*“Climate Active certification requires us to not only offset our emissions but to develop and implement a program to reduce emissions where we can, with offsets only used as a last resort, providing comfort to our stakeholders that we are doing the underlying work.”*



## 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 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.

## Inside emissions boundary

### **Quantified**

*Accommodation and facilities*  
*Air Transport (km)*  
*Electricity*  
*Food*  
*ICT services and equipment*  
*Land and Sea Transport (fuel)*  
*Land and Sea Transport (km)*  
*Office equipment & supplies*  
*Postage, courier and freight*  
*Professional Services*  
*Transport (Land and Sea)*  
*Waste*  
*Water*  
*Working from home*

### **Non-quantified**

*Refrigerants*

### **Optionally included**

*N/A*

## Outside emission boundary

### **Excluded**

*N/A*

## 4.EMISSIONS REDUCTIONS

### Emissions reduction strategy

Pendal has been subject to an acquisition and therefore is unable to provide at this moment in time an Emission reduction strategy complete with specific timelines for all scopes. At which point in the future Pendal is able to align their strategy with that of the goals and targets of the parent organisation Pendal will be able produce a complete emissions reduction strategy, this is projected to a feasible objective by the close of FY2024.

**Overarching target:** Pendal is committed to reducing total GHG emissions by 20% off a FY2021 baseline

- Pendal acknowledges there may be an increase in emissions for the FY22 period. This is in direct correlation to an increase in flights in FY22. As such, upon completion of our FY22 carbon assessment, we may look to amend our overarching target.

**Scope 1:** Pendal's Scope 1 emissions were 0 for the FY21 reporting period.

**Scope 2:** Pendal is committed to reducing Scope 2 emissions by 50% by 2026 off a FY2021 baseline

- Pendal will undertake a NABERS assessment of our major tenancies to identify ways to reduce emissions in our offices. The outcome of this assessment and relevant recommendations will be considered for implementation and employee level actions will be communicated to staff.
- Pendal will implement a phased approach to uptake of Green Power in Sydney and Melbourne offices over the next 5 years.

**Scope 3:** Pendal is committed to reducing Scope 3 emissions by 15% off a FY2021 baseline

- Pendal will form a Carbon Neutral committee and communicate with each of our major suppliers about our commitment to reduce our emissions, work with suppliers to provide more accurate emissions data to better model our Scope 3 emissions, and track this over time.
- Any prospective suppliers and vendors being considered will be encouraged to disclose their stance on sustainability and carbon neutrality status, their targets and ways they are working to achieve these.
- In relation to flights, Pendal will identify opportunities to curb the impact of this eg through the development of a Sustainable Transport Policy.



## Emissions reduction actions

For this reporting period Pandal engaged in the following actions as part of their existing Emission reduction strategy:

- Review travel policy to minimise emissions from flights and hotel accommodation.
- Investigate ways to reduce electricity consumption and/or offset our electricity emissions.
- Use Climate Active certified products and services where possible; and
- Work with suppliers to reduce Scope 3 emissions, including potentially switching to suppliers who are committed to reducing their emissions.

## 5.EMISSIONS SUMMARY

### Emissions over time

| Emissions since base year |           |                           |
|---------------------------|-----------|---------------------------|
|                           |           | Total tCO <sub>2</sub> -e |
| Base year:                | 2019–2020 | 2,289.18                  |
| Year 1:                   | 2020–2021 | 2343.37                   |

### Significant changes in emissions

| Emission source name                    | Current year (activity data) | Previous year (activity data) | Detailed reason for change                                  |
|---|------------------------------|-------------------------------|---|
| Long business class flights (>3,700 km) | 953044.8                     | 1235668.3                     | Covid restrictions  |
| Business services                       | 2811215.5                    | 663688.8                      | Additional support required due to mergers/acquisition work |
| Accounting services                     | 1150018.1                    | 1006310.2                     | Additional support required due to mergers/acquisition work |
| Advertising & Promotion                 | 1209161.0                    | 1106808.8                     | Additional support required due to mergers/acquisition work |
| Legal services                          | 1538824.9                    | 718765.3                      | Additional support required due to mergers/acquisition work |

### Use of Climate Active carbon neutral products and services

Pendal uses Planet Ark carbon neutral paper.

This assessment and Climate Active submission was prepared with the assistance of [Pangolin Associates](#) and these services are carbon neutral.

## 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 <sub>2</sub> -e) |
|-------------------------------|--|
| Accommodation and facilities  | 6.53   |
| Air Transport (km)            | 566.83                                       |
| Electricity                   | 579.10                                       |
| Food                          | 97.17  |
| ICT services and equipment    | 39.62  |
| Land and Sea Transport (fuel) | 2.63   |
| Land and Sea Transport (km)   | 54.63  |
| Office equipment & supplies   | 6.21   |
| Postage, courier and freight  | 2.93   |
| Professional Services         | 967.74                                       |
| Transport (Land and Sea)      | 2.15   |
| Waste                         | 5.27   |
| Water                         | 0.74   |
| Working from home             | 11.82  |
| <b>Total</b>                  | <b>2343.37</b>                               |

## 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 <sub>2</sub> -e |
|---|---------------------|
| N/A   | N/A                 |
| Total of all uplift factors   |                     |
| <b>Total footprint to offset</b><br><i>(total net emissions from summary table + total uplifts)</i> | <b>2343.37</b>      |

## 6. CARBON OFFSETS

### Offsets retirement approach

| In arrears   |      |
|--|------|
| 1. Total number of eligible offsets banked from last year's report | 0    |
| 2. Total emissions footprint to offset for this report             | 2344 |
| 3. Total eligible offsets required for this report                 | 2344 |
| 4. Total eligible offsets purchased and retired for this report    | 2344 |
| 5. Total eligible offsets banked to use toward next year's report  | 0    |

### Co-benefits

#### Keo Seima Wildlife Sanctuary

##### Community Benefits

Preserves forest areas that provide the basic needs and traditional cultural identity for over 2,500 households (approximately 12,500 people) within the 20 REDD+ participating villages.

Strengthens tenure rights and reduces landlessness of Seima forest communities through legal and planning support for indigenous communa,

##### Biodiversity Benefits

In the first ten years the REDD+ project will prevent the destruction of nearly 30,000 ha of lowland southern Annamitic forest and deciduous dipterocarp forest. The 292,690 hectare Project Area contains some of the largest intact blocks of these important and threatened ecosystems.

The project will ensure the persistence of a full range of intact, ecologically functional habitats that are minimally degraded and disturbed by humans. Likewise the project will ensure the persistence and recovery of numerous species of global conservation concern. Some notable species include the Asian Elephant, the largest remaining world population of Black-shanked Douc, Yellow-cheeked Crested Gibbon, Gaur, Banteng, and Green Peafowl.

#### NIHT Topaiyo REDD +

Traditional landowners and tribal communities receive the majority of income from the project. The project helps create sustainable incomes in an economically poor country - Papua New Guinea is ranked 155th out of 189 in the Planetary Pressures Adjusted Human Development Index. This income will help fight poverty in the region and will incentivise locals away from the short-term profits available from deforestation. Over 47,000 individuals in the region will receive income benefit from the project.

The project contains multiple local initiatives spanning nearly every single Sustainable Development Goal, giving a high score in a key part of our analysis process. These include supporting women's healthcare with mammary screens as well as education and business support programmes.

Mature tropical rainforests are excellent carbon sinks, protecting them is ranked even higher than planting new trees on the Project Drawdown sequestration rankings. Every year Papua New Guinea loses 1.4% of its forested land which this project helps to slow. We like this project as well because it demonstrates the strengths of the REDD+ mechanism in providing an economic incentive for protecting rainforests.

The project also conserves existing healthy, biodiversity rich tropical ecosystems. The protected forest is home to around 5% of the world's biodiversity so the project scored very highly on our biodiversity assessment.

## 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 <sub>2</sub> -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 (%) |
| Reduced Emissions from Deforestation and Degradation in Keo Seima Wildlife Sanctuary | VCUs                 | VERRA   | 31 Aug 2022  | 9864-150046884-150048055-VCS-VCU-263-VER-KH-14-1650-01012015-31122015-1<br><a href="https://registry.terra.org/myModule/rpt/myrpt.asp?r=206&amp;h=172632">https://registry.terra.org/myModule/rpt/myrpt.asp?r=206&amp;h=172632</a>  | 2015    | 0                   | 1,172                                   | 0   | 0   | 1,172  | 50%                     |
| NIHT Topaiyo REDD +  | VCUs                 | VERRA   | 31 Aug 2022  | 10695-239578342-239579109-VCS-VCU-466-VER-PG-14-2293-01062017-31122019-0<br><a href="https://registry.terra.org/myModule/rpt/myrpt.asp?r=206&amp;h=174064">https://registry.terra.org/myModule/rpt/myrpt.asp?r=206&amp;h=174064</a> | 2019    | 0                   | 768                                     | 0   | 0   | 768  | 33%                     |
| NIHT Topaiyo REDD +  | VCUs                 | VERRA   | 31 Aug 2022  | 8799-46534141-46534397-VCS-VCU-466-VER-PG-14-2293-01062017-31122019-0<br><a href="https://registry.terra.org/myModule/rpt/myrpt.asp?r=206&amp;h=173258">https://registry.terra.org/myModule/rpt/myrpt.asp?r=206&amp;h=173258</a>    | 2019    | 0                   | 257                                     | 0   | 0   | 257  | 11%                     |
| NIHT Topaiyo REDD +  | VCUs                 | VERRA   | 31 Aug 2022  | 9895-157052204-157052350-VCS-VCU-466-VER-PG-14-2293-01062017-31122019-0<br><a href="https://registry.terra.org/myModule/rpt/myrpt.asp?r=206&amp;h=172733">https://registry.terra.org/myModule/rpt/myrpt.asp?r=206&amp;h=172733</a>  | 2019    | 0                   | 147                                     | 0   | 0   | 147  | 6%                      |
| Total offsets retired this report and used in this report                            |                      |   |              |   |         |                     |   |   |   | 2344   |                         |
| Total offsets retired this report and banked for future reports                      |                      |   |              |   |         |                     |   |   |   | 0  |                         |
| Type of offset units   |                      | Quantity (used for this reporting period claim) |              |   |         | Percentage of total |   |   |   |  |                         |
| Verified Carbon Units (VCUs)   |                      | 2344  |              |   |         | 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 <sub>2</sub> e) | Renewable Percentage of total |
|--|---------------------|---------------------------------|-------------------------------|
| Behind the meter consumption of electricity generated                              | 0                   | 0                               | 0%                            |
| <b>Total non-grid electricity</b>  | <b>0</b>            | <b>0</b>                        | <b>0%</b>                     |
| LGC Purchased and retired (kWh) (including PPAs & Precinct LGCs)                   | 0                   | 0                               | 0%                            |
| GreenPower   | 0                   | 0                               | 0%                            |
| 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)             | 120,980             | 0                               | 19%                           |
| Residual Electricity   | 518,279             | 556,155                         | 0%                            |
| <b>Total grid electricity</b>  | <b>639,259</b>      | <b>556,155</b>                  | <b>19%</b>                    |
| <b>Total Electricity Consumed (grid + non grid)</b>                                | <b>639,259</b>      | <b>556,155</b>                  | <b>19%</b>                    |
| Electricity renewables   | 120,980             | 0                               |                               |
| Residual Electricity   | 518,279             | 556,155                         |                               |
| <b>Exported on-site generated electricity</b>                                      | <b>0</b>            | <b>0</b>                        |                               |
| Emissions (kgCO <sub>2</sub> e)  |                     | 556,155                         |                               |
|  |                     |                                 |                               |
| <b>Total renewables (grid and non-grid)</b>  | <b>18.93%</b>       |                                 |                               |
| <b>Mandatory</b>   | <b>18.93%</b>       |                                 |                               |
| <b>Voluntary</b>   | <b>0.00%</b>        |                                 |                               |
| <b>Behind the meter</b>  | <b>0.00%</b>        |                                 |                               |
| <b>Residual Electricity Emission Footprint (TCO<sub>2</sub>e)</b>                  | <b>556</b>          |                                 |                               |
| <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 (kgCO2e) | Scope 3 Emissions (kgCO2e) |
|--|---------------------|----------------------------|----------------------------|
| ACT  | 0                   | 0                          | 0                          |
| NSW  | 619,447             | 501,752                    | 55,750                     |
| SA   | 0                   | 0                          | 0                          |
| Vic  | 19,812              | 19,416                     | 2,179                      |
| Qld  | 0                   | 0                          | 0                          |
| NT   | 0                   | 0                          | 0                          |
| WA   | 0                   | 0                          | 0                          |
| Tas  | 0                   | 0                          | 0                          |
| <b>Grid electricity (scope 2 and 3)</b>        | <b>639,259</b>      | <b>521,168</b>             | <b>57,930</b>              |
| 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                          |
| <b>Non-grid electricity (Behind the meter)</b> | <b>0</b>            | <b>0</b>                   | <b>0</b>                   |
| <b>Total Electricity Consumed</b>              | <b>639,259</b>      | <b>521,168</b>             | <b>57,930</b>              |
| <b>Emission Footprint (TCO2e)</b>              | <b>579</b>          |                            |                            |
| <i>Scope 2 Emissions (TCO2e)</i>               | 521                 |                            |                            |
| <i>Scope 3 Emissions (TCO2e)</i>               | 58                  |                            |                            |

## Climate Active Carbon Neutral Electricity summary

| Carbon Neutral electricity offset by Climate Active Product | Activity Data (kWh) | Emissions (kgCO2e) |
|---|---------------------|--------------------|
| N/A   | 0                   | 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

### 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.

| Relevant-non-quantified emission sources | (1) Immaterial | (2) Cost effective (but uplift applied) | (3) Data unavailable (but uplift applied & data plan in place) | (4) Maintenance |
|--|----------------|---|--|-----------------|
| Refrigerants                             | Yes            | No                                      | No   | No              |

## 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.

| Emission sources tested for relevance | (1)<br>Size | (2)<br>Influence | (3)<br>Risk | (4)<br>Stakeholders | (5)<br>Outsourcing | Included in boundary? |
|---------------------------------------|-------------|------------------|-------------|---------------------|--------------------|-----------------------|
| N/A                                   | N/A         | N/A              | N/A         | N/A                 | N/A                | N/A                   |



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