



PUBLIC DISCLOSURE STATEMENT

FLAG ASSET MANAGEMENT PTY LTD

ORGANISATION CERTIFICATION

FY2022–23

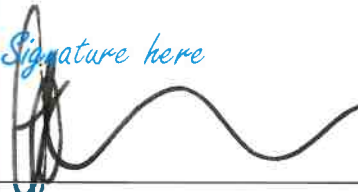
Australian Government

Climate Active Public Disclosure Statement



An Australian Government Initiative



NAME OF CERTIFIED ENTITY	Flag Asset Management Pty Ltd
REPORTING PERIOD	July 2022 – 30 June 2023 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><i>Signature here</i></p>  <p>Name of signatory JAMES BLOOM Position of signatory CEO Date 29/10/24</p>



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

Public Disclosure Statement documents are prepared by the submitting organisation. The material in the Public Disclosure Statement document represents the views of the organisation and do not necessarily reflect the views of the Commonwealth. The Commonwealth does not guarantee the accuracy of the contents of the Public Disclosure Statement document and disclaims liability for any loss arising from the use of the document for any purpose.

Version August 2023.



1.CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	436.04 tCO ₂ -e
CARBON OFFSETS USED	100% VERs
RENEWABLE ELECTRICITY	N/A
CARBON ACCOUNT	Prepared by: Pangolin Associates
TECHNICAL ASSESSMENT	Date: 20 June 2024 Organisation: Pangolin Associates Next technical assessment due: FY 2026
THIRD PARTY VALIDATION	Type 1 Date: 18 June 2024 Organisation: Walker Wayland NSW

Contents

1. Certification summary	3
2. Certification information	4
3. Emissions boundary	5
4. Emissions reductions.....	7
5. Emissions summary.....	9
6. Carbon offsets.....	11
7. Renewable Energy Certificate (REC) Summary.....	13
Appendix A: Additional Information	14
Appendix B: Electricity summary	15
Appendix C: Inside emissions boundary	18
Appendix D: Outside emissions boundary.....	19

2.CERTIFICATION INFORMATION

Description of organisation certification

This organisation certification is for the business operations of Flag Asset Management Pty Ltd (ABN 87 160 816 357, AFSL 459495), covering the FY2023 reporting period.

The operational boundary has been defined based on an operational control test, in accordance with the principles of the National Greenhouse and Energy Reporting Act 2007. This includes the following locations and facilities:

- Level 4, 285 George Street, Sydney, NSW 2000 Australia

This certification does not include any of the investments managed by Flag Asset Management Pty Ltd.

The methods used for collating data, performing calculations, and presenting the carbon account are in accordance with the following standards:

- The Climate Active Carbon Neutral Standard for Organisation (Organisation Standard)
- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- National Greenhouse and Energy Reporting (Measurement) Determination 2008

Organisation description

Flag Asset Management Pty Ltd ('Flag Group') was established in 2012 and is an alternative fixed income investment manager based in Sydney dedicated to the design and management of institutional investor solutions that provide active return certainty above cash, fixed income and equity benchmarks. Flag Group investment solutions offer 'locked-in' predictable excess returns which eliminate active manager performance uncertainty, elimination of investor-borne market and counterparty risk, predetermined at-par liquidity 'windows', negligible tracking error, and no charge fees. Flag Group manages over AUD2bn and is 100% owned by staff (and one retired founder). For more visit flaggroup.com.au.

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 and facilities
Carbon neutral products and services
Cleaning and chemicals
Electricity
Food
ICT services and equipment
Office equipment and supplies
Postage, courier and freight
Products
Professional services
Refrigerants
Stationary energy and fuels
Transport (air)
Transport (land and sea)
Waste
Water
Working from home

Non-quantified

N/A.

Outside emission boundary

Excluded

N/A.

4. EMISSIONS REDUCTIONS

Emissions reduction strategy

Flag Group is committed to reducing emissions arising from its business operations to mitigate its impact on climate change. To achieve this ambition, Flag Group has measured its GHG emissions and has developed an emission reduction strategy to reduce absolute emissions by 10% of FY2023 base year emissions by FY2030. Below is a breakdown on how Flag Group will work to achieve this overarching target.

Scope 1:

Scope 1 emissions make up less than 1% of total emissions (0.00001t CO₂-e). Flag Group will consider the efficiency of air conditioning units before upgrading or installing any new units beyond FY2023.

Scope 2:

In FY2023, scope 2 emissions represented 0% of total emissions. Flag Group will continue procuring opt-in Climate Active carbon neutral AGL electricity. Furthermore, Flag Group will transition to procuring 100% Greenpower by FY2025 to maintain zero Scope 2 emissions indefinitely.

Scope 3:

Scope 3 emissions represented close to 100% of total emissions in FY2023. To achieve the overarching emissions reduction target, Flag Group will focus on the following:

- **Encourage building owner to procure Greenpower:** Base building electricity is not within Flag Group's operational control. Flag Group will engage and lobby the building owner (Brookfield) to procure Greenpower. Furthermore, if Flag Group were to move offices in the future electricity supply would form part of the selection process, with preference toward buildings with 100% Greenpower.
- **Improved supplier emission reporting:** Flag Group will engage with suppliers to improve the accuracy of emission calculations by requesting actual emissions data where possible. Flag Group aims to complete a heat map to identify its top suppliers with accurate emissions data reporting by FY2025.
- **Engage with Climate Active service and/or suppliers who report on their emissions:** Flag Group will review its procurement policy by FY2025 to favour Climate Active suppliers and/or suppliers who actively measure their emissions and have an emissions reduction strategy in place.
- **Implement business travel procurement policy:** Flag Group will introduce an internal business travel policy by FY2025 to encourage the purchase of opt-in Climate Active carbon neutral flight offsets for all flights and considerate selection of business travel accommodation. Furthermore, employees will be encouraged to reduce the number of flights taken by strategically planning multiple meetings within the same trip.

Given that close to 100% of emissions in the FY2023 base year are within Flag Group's supply chain, Flag Group's ability to meet their reduction target is almost entirely dependent on their supplier's own actions.

5.EMISSIONS SUMMARY

Emissions over time

Emissions since base year		
		Total tCO ₂ -e (without uplift)
Base year/Year 1:	2022-23	436.04

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

Certified brand name	Product/Service/Building/Precinct used
Reflex	Recycled paper
King & Wood Mallesons	Legal services
Qantas/Jetstar	Flying service
AGL	Electricity product
Pangolin Associates	Consulting Services

Emissions summary

The electricity summary is available in the 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	0.41	0.41
Cleaning and chemicals	0.00	0.00	0.95	0.95
Climate Active carbon neutral products and services	0.00	0.00	0.00	0.00
Electricity	0.00	0.00	32.56	32.56
Food	0.00	0.00	4.27	4.27
ICT services and equipment	0.00	0.00	41.65	41.65
Postage, courier and freight	0.00	0.00	0.25	0.25
Products	0.00	0.00	0.74	0.74
Professional services	0.00	0.00	282.80	282.80
Refrigerants	0.00001	0.00	0.01	0.01
Stationary energy (gaseous fuels)	0.00	0.00	0.01	0.01
Transport (air)	0.00	0.00	62.49	62.49
Transport (land and sea)	0.00	0.00	6.77	6.77
Waste	0.00	0.00	0.22	0.22
Water	0.00	0.00	0.37	0.37
Working from home	0.00	0.00	1.31	1.31
Office equipment and supplies	0.00	0.00	1.23	1.23
Total emissions (tCO₂-e)	0.00001	0.00	436.04	436.04

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
Verified Emissions Reductions (VERs)	437	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 (%)
Cururos Wind Farm Project, Chile	VER	GSR	21/06/2024	GS1-1-CL-GS3567-12-2017-23424-27902-28338	2017	0	437	0	0	437	100%
Total eligible offsets retired and used for this report										437	
Total eligible offsets retired this report and banked for use in future reports									0		

Co-benefits

The Los Cururos Wind Farm Project includes two wind farms called "El Pacifico" and "La Cebada" located in Coquimbo, Chile, with a total installed capacity of 109.6 MW and an average generation of 290 GWh per year. The wind farm is connected to the Chilean Northern Synchronized Grid . By replacing fossil-fuel based power in the grid, it has the capacity to reduce greenhouse gas emissions by around 173,819 tCO₂e per year, totalling 1,390,550 tCO₂e during the renewable 7-year crediting period.

The project will also contribute to the sustainable development of the country and region by decreasing the dependency on limited non-renewable resources, generate employment opportunities, contribute to the transfer of clean technology, and create new direct and indirect income sources.

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)	2,863	0	5%
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)	7,748	0	14%
Residual Electricity	45,829	43,767	0%
Total renewable electricity (grid + non grid)	10,611	0	19%
Total grid electricity	56,440	43,767	19%
Total electricity (grid + non grid)	56,440	43,767	19%
Percentage of residual electricity consumption under operational control	0%		
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	45,829	43,767	
Scope 3	45,829	43,767	

Total renewables (grid and non-grid)	18.80%
Mandatory	18.80%
Voluntary	0.00%
Behind the meter	0.00%
Residual scope 2 emissions (t CO₂-e)	0.00
Residual scope 3 emissions (t CO₂-e)	43.77
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)	31.96
Total emissions liability (t CO₂-e)	31.96

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	0%	(kWh)	Scope 2 Emissions (kgCO ₂ -e)	Scope 3 Emissions (kgCO ₂ -e)	(kWh)	Scope 3 Emissions (kgCO ₂ -e)
NSW	56,440	0	0	0	56,440	44,588
Grid electricity (scope 2 and 3)	56,440	0	0	0	56,440	44,588
NSW	0	0	0	0		
Non-grid electricity (behind the meter)	0	0	0	0		
Total electricity (grid + non grid)	56,440					

Residual scope 2 emissions (t CO ₂ -e)	0.00
Residual scope 3 emissions (t CO ₂ -e)	44.59
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO ₂ -e)	0.00
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO ₂ -e)	32.56
Total emissions liability	32.56

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)
AGL Opt-in	15,229	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

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.

Relevant non-quantified emission sources	Justification reason
N/A.	N/A.

Data management plan for non-quantified sources

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
N/A.						



An Australian Government Initiative

