



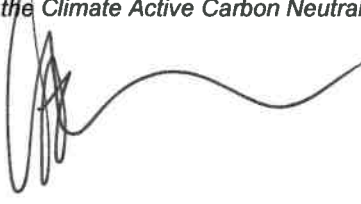
PUBLIC DISCLOSURE STATEMENT

FLAG ASSET MANAGEMENT PTY LTD

ORGANISATION CERTIFICATION
FY2023–24

Australian Government
Climate Active
Public Disclosure Statement



NAME OF CERTIFIED ENTITY	Flag Asset Management Pty Ltd
REPORTING PERIOD	1 July 2023 – 30 June 2024 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>Name of signatory JAMES BLOOM Position of signatory CEO Date 15/10/25</p>



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

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Version 9.

1. CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	220 tCO ₂ -e
CARBON OFFSETS USED	100% VERs
RENEWABLE ELECTRICITY	24.90%
CARBON ACCOUNT	Prepared by: Pangolin Associates
TECHNICAL ASSESSMENT	Date: 20 June 2024 Organisation: Pangolin Associates Next technical assessment due: FY 2026

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

This Public Disclosure Statement includes information for FY2024 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 provide 'locked-in' predictable excess returns which eliminate active manager performance uncertainty, elimination of investor-borne market and counterparty risk, have predetermined at-par liquidity 'windows', with negligible tracking error, and no fees. Flag Group manages AUD2bn and is 100% owned by staff (and one retired founder).

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		Outside emission boundary
<p><u>Quantified</u></p> <p>Accommodation and facilities</p> <p>Cleaning and chemicals</p> <p>Climate Active carbon neutral products and services</p> <p>Electricity</p> <p>Food</p> <p>ICT services and equipment</p> <p>Office equipment and supplies</p> <p>Professional services</p> <p>Refrigerants</p> <p>Stationary energy (gaseous fuels)</p> <p>Transport (air)</p> <p>Transport (land and sea)</p> <p>Waste</p> <p>Water</p> <p>Working from home</p>	<p><u>Non-quantified</u></p> <p>N/A</p>	<p><u>Excluded</u></p> <p>N/A</p>

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 target.

Scope 1:

Scope 1 emissions make up less than 0.1% of total emissions (0.00001t CO₂-e). Flag Group is not considering any changes that will impact the near zero emissions.

Scope 2:

In FY2024, Scope 2 emissions represented 4% 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 FY2026 to reach and maintain zero Scope 2 emissions indefinitely.

Scope 3:

Scope 3 emissions represented close to 100% of total emissions in FY2024. To achieve 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 FY2026.
- **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 add specific travel guidelines to its existing Human Resources policy by the end of FY2025 to mandate 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 FY2024 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.

Emissions reduction actions

The primary catalyst for the notable reduction in Scope 3 emissions between FY 2023 and FY 2024 was a reduction in professional services costs such as consulting, legal advice and accounting services. These measures collectively contributed to a substantial reduction in Flag Groups overall carbon footprint, underscoring the pivotal role of cost management in achieving environmental sustainability goals.

These actions have resulted in a year-on-year reduction of 54.6 tCO₂-e (-30.4%) in consulting, legal and accounting services.

5. EMISSIONS SUMMARY

Emissions over time

Emissions since base year		
		Total tCO ₂ -e (without uplift)
Base year:	2022-23	436.04
Year 1:	2023-24	219.70

Significant changes in emissions

Significant changes in emissions			
Emission source	Previous year emissions (t CO ₂ -e)	Current year emissions (t CO ₂ -e)	Reason for change
Consulting services	88.23	46.59	Due to a reduction in professional services costs, there has been a reduction in expenditure on consulting services in FY2024 compared to FY2023.

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

Certified brand name	Product/Service/Building/Precinct used
AGL	AGL Opt-in electricity
Pangolin Associates	Consulting services

Emissions summary

The electricity summary is available in Appendix B. Electricity emissions were calculated using a market-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	0.06	0.06
Cleaning and Chemicals	0.00	0.00	0.12	0.12
Climate Active carbon neutral products and services	0.00	0.00	0.00	0.00
Electricity	0.00	4.76	5.44	10.19
Food	0.00	0.00	2.45	2.45
ICT services and equipment	0.00	0.00	20.35	20.35
Office equipment & supplies	0.00	0.00	6.57	6.57
Professional Services	0.00	0.00	164.88	164.88
Refrigerants	1.00	0.00	0.00	1.00
Stationary Energy (gaseous fuels)	0.83	0.00	0.21	1.04
Transport (Air)	0.00	0.00	4.71	4.71
Transport (Land and Sea)	0.00	0.00	6.55	6.55
Waste	0.00	0.00	0.17	0.17
Water	0.00	0.00	0.29	0.29
Working from home	0.00	0.00	1.32	1.32
Total emissions (tCO₂-e)	1.83	4.76	213.11	219.70

Uplift factors

N/A

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
Verified Emissions Reductions (VERs)	220	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
Cururos Wind Farm Project - GS3567	VER	GSR	21/01/2025	GS1-1-CL-GS3567-12-2017-23424-28339-28558	2017	220	0	0	220	100.00%

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 **market-based approach**.

Market-based approach summary			
Market-based approach	Activity Data (kWh)	Emissions (kg CO₂-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	1,937	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)	2,841	0	9%
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)	3,026	0	10%
Residual Electricity	23,538	21,419	0%
Total renewable electricity (grid + non grid)	7,804	0	25%
Total grid electricity	31,342	21,419	25%
Total electricity (grid + non grid)	31,342	21,419	25%
Percentage of residual electricity consumption under operational control	52%		
Residual electricity consumption under operational control	12,336	11,225	
Scope 2	10,980	9,992	
Scope 3 (includes T&D emissions from consumption under operational control)	1,356	1,234	
Residual electricity consumption not under operational control	11,202	10,194	
Scope 3	11,202	10,194	

Total renewables (grid and non-grid)	24.90%
Mandatory	18.72%
Voluntary	6.18%
Behind the meter	0.00%
Residual scope 2 emissions (t CO₂-e)	9.99
Residual scope 3 emissions (t CO₂-e)	11.43
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO₂-e)	4.76
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO₂-e)	5.44
Total emissions liability (t CO₂-e)	10.19

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)
NSW	31,342	31,342	21,313	1,567	0	0
Grid electricity (scope 2 and 3)	31,342	31,342	21,313	1,567	0	0
NSW	0	0	0	0		
Non-grid electricity (behind the meter)	0	0	0	0		
Total electricity (grid + non grid)	31,342					

Residual scope 2 emissions (t CO ₂ -e)	21.31
Residual scope 3 emissions (t CO ₂ -e)	1.57
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO ₂ -e)	10.99
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO ₂ -e)	0.81
Total emissions liability	11.80

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
<i>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.</i>		

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 electricity product	15,177	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

N/A

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
N/A						



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