

GREENHOUSE GAS EMISSIONS INVENTORY REPORT

1 July 2020 - 30 June 2021



PEXA GHG Emissions Snapshot FY2021

Total emissions: 2212.54 tCO₂e

Scope 1

27.68
tCO₂e

Scope 2

51.41
tCO₂e

Scope 3

2133.45
tCO₂e

OUR TARGETS:



To achieve
net zero
by 2025



Annual
greenhouse
gas emission
reporting

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CEO statement

Buying a home is one of the most important purchases many people will make in their lifetime and it is PEXA's role to make that experience as efficient, safe and reliable as possible.

We are humbled to play such an important role within the community, and therefore we are passionate about taking proactive action to positively impact the lives of our people, our stakeholders, home buyers and sellers, and our planet for generations to come.

We feel it is only right that our Environment, Social and Governance (ESG) commitments are transparent, tangible, achievable and committed publicly. Our focus areas for a sustainable future include looking for opportunities across our operations and end-to-end value chain to reduce our impact on the planet.

Over the next three years, PEXA aims to deliver:

- a minimum 10% reduction or offset in year-on-year greenhouse gas emissions;
- a pathway to become net zero by 2025; and
- annual greenhouse gas emission reports for full transparency and accountability.

We are very proud to publish this greenhouse gas emission inventory report, not because of the size of the footprint, but because it provides us with a clear baseline to map a pathway towards being a net zero greenhouse gas emission organisation.

The entire team at PEXA is committed to delivering our ESG commitments, and I look forward to driving further developments for the betterment of our communities.

Glenn King

Group Managing Director & CEO



Introduction

This report summarises the annual greenhouse gas (GHG) emissions inventory prepared for PEXA Group Limited (ASX:PXA) (PEXA to be used throughout this report) for the 2021 financial year. The report will serve as PEXA's inaugural base year inventory, allowing for accurate tracking of GHG emissions over time, and providing clear targets for annual emissions reduction and offsetting.

The inventory is a complete and accurate quantification of the amount of GHG emissions that can be directly attributed to PEXA's operations within the declared boundary and scope for the specified reporting period.

The inventory has been prepared in accordance with the GHG Protocol: *A Corporate Accounting and Reporting Standard - Revised edition (2015)*. PEXA has aligned its inventory reporting to the GHG protocol as it is the world's most widely utilised carbon accounting standard.

GHG emissions summary

The below table summarises PEXA's GHG emissions for the reporting period, 1 July 2020 – 30 June 2021, independent of any GHG trades. A detailed breakdown has been included on page 11 of this report.

Table 1: FY2021 Summary of GHG emissions

Emissions	Total (tCO ₂ e)	CO ₂ (mt)	CH ₄ (mt)	N ₂ O (mt)	HFCs (mt)	PFCs (mt)	SF ₆ (mt)
Scope 1	27.68	27.13	0.53	0.02	0	0	0
Scope 2	51.41	51.41	0	0	0	0	0
Scope 3	2133.45	2120.46	10.61	2.38	0	0	0

The below principles set out the fundamental components in which this inventory has been prepared:

- Relevance:** designed to provide information to empower decision making. The inventory boundaries have been formed with consideration of company characteristics, organisational structure, stakeholder needs and business context.
- Completedness:** developed via a thorough, fair and accurate account of the chosen inventory boundaries. All data sources, estimations, and insufficiencies are documented and clearly justified, articulating future plans for improvement as part of each inventory.
- Consistency:** accounting approaches, inventory boundaries and calculation methodologies are outlined to produce comparable data. Any deviations are documented, justified and if necessary, the base year will be recalculated.
- Transparency:** emissions data is disclosed in a clear and factual manner to produce a report which can be interpreted with confidence. The GHG inventory report is subject to independent external assurance in the form of a limited assurance report.
- Accuracy:** emissions data sources, both primary and estimates, are continually refined and improved over time without compromising the ability to produce an inventory which is both accurate and complete.

About PEXA

These days, when you buy or sell a house, chances are all your transactions will happen online.

That's because back in 2010 we began a journey that'd ultimately revolutionise the way Australians exchange property.

Backed by a government initiative aimed at creating less paperwork, process times and margin for error, we set to work modernising the AU\$9 trillion residential property market.

A world-first initiative

PEXA is one of the only platforms in the world that lets you lodge documents with the land registry, and pay settlement funds at the same time.

Robust, secure and fast, our superior property settlement experience is trusted by more than 9,700 legal and conveyancing firms and 150 financial institutions with more than \$1T in property value

having being transacted via the platform to date.

Built by the industry, for the industry.

Created in partnership with enterprising individuals from the government, banking, legal and conveyancing community, PEXA meets the needs of everyone, from lenders to homeowners.

And because those needs are always changing, we collaborate with members wherever we can. In the last year alone, 86% of our platform enhancements came from member feedback.

Here to help you home

Today, with more than 8 million transactions (and counting) completed, we provide 20,000 families a week speedy, safe and efficient access to real-time tracking of their property settlement, and the revenue that comes with it.

And this is only the beginning.

Reporting scope

Organisational boundaries

PEXA's organisational boundaries have been established in accordance with the GHG protocol corporate guidance¹ and are based on the operational control consolidation approach.

As defined within the GHG protocol, a company has operational control over

an operation if the former or one of its subsidiaries has the full authority to introduce and implement its operating policies at the operation. As such, this inventory has been developed for PEXA Group Limited, the ultimate holding company for all subsidiary entities.

Table 2: PEXA's operating facilities

Location	Address	Reporting scope	Leased area	Description
Melbourne, Australia	Tower 4, L16, 727 Collins St, Docklands, VIC	Scope 1 and scope 2	2641.5 m ²	Head office, leased area separated from other tenants as a separate floor. Operational control: PEXA
Adelaide, Australia	4 Peel St, Adelaide, SA	Scope 3	16.65 m ²	South Australia office, leased area as part of a co-working facility. Operational control: Facility
Sydney, Australia	10.04/66 Clarence St, Sydney, NSW	Scope 3	77 m ²	New South Wales office, leased area as part of a co-working facility. Operational control: PEXA
Perth, Australia	1/191 St Georges Terrace, Perth, WA	Scope 3	16 m ²	Western Australia office, leased area as part of a co-working facility. Operational control: Facility
Brisbane, Australia	13/300 Ann St, Brisbane, QLD	Scope 1 and scope 2	132 m ²	Queensland office, leased area as part of a co-working facility. Operational control: PEXA
London, United Kingdom	Belvedere House, Basing View, Basingstoke RG21 4HG, United Kingdom	Scope 3	N/A	London co-working location, desk space and meeting rooms leased as required. Operational control: Facility

Exclusions:

- 19/15 Williams street, Melbourne – Due to COVID-19 restrictions, this facility was closed from March 2020 to the end of lease in April 2021. The site was accessed only to vacate the premises. Therefore, any GHG emissions produced during this time are deemed insignificant, and this facility has been excluded from scope three reporting.

Organisational business unit exclusions

In April 2021, PEXA acquired a 0.5% ownership in Honey Insurance Pty Ltd, of which PEXA has no operational control². Honey Insurance is a fully discrete business and as such has been excluded from this inventory.



¹ Greenhouse Gas Protocol - A corporate accounting and reporting standard, Revised edition, Chapter 3, 2015

² Facilities and Operational control, NGER 2016: <http://www.cleanenergyregulator.gov.au/NGER/Reporting-cycle/Assess-your-obligations/Facilities-and-operational-control>

Organisational boundaries

The GHG emission sources included in this inventory have been identified with reference to the GHG protocol and classified under the following categories:

Scope 1

Direct emissions from operations that are owned or controlled by the PEXA.

Scope 2

Indirect emissions from the purchase of electricity consumed by PEXA.

Scope 3

Indirect emissions which occur both upstream and downstream across the value chain of PEXA. These emissions occur as a consequence of PEXA's activities, but are derived from sources that are not owned or controlled by the Company.

Of note, Scope 3 emissions within this inventory have been reported where there is a clear rationale for inclusion and reliable data available. This includes, but is not limited to, emission sources such as: business travel (accommodation, flights, taxis); customer service team fuel consumption; emissions generated across key suppliers; courier and postage services; remote contractors and waste and landfill.



Base year emissions

The GHG Protocol corporate standard³ specifies that a meaningful and consistent comparison of emissions over time requires that companies set a performance datum with which to compare current emissions. This performance datum is referred to as the base year emissions.

A base year is determined by the earliest year for which data can be verified across the required scopes (Scope 1 and Scope 2).

This report and inventory will serve as PEXA's base year and is representative of the company's emission profile, allowing for meaningful emissions data comparison over time.

Base year recalculation criteria:

Recalculations to base year emissions are made with the intention of maintaining meaningful data that allows PEXA to:

- **accurately track progress towards achieving emission reduction targets; and**
- **provide necessary context for inventory changes over time.**

Any change to the organisation which is deemed significant between reporting years may prompt PEXA to recalculate base year GHG emissions. These changes may include, but are not limited to:

- **structural changes which involve the transfer of ownership, or control, of emissions generating activities or operations which have a significant impact on PEXA's base year GHG emissions;**
- **adaptations to reporting methodology, improved accuracy of emissions data or emissions factors; and/or**
- **discovery of significant errors or cumulative minor errors which are collectively significant.**

The significance of a change is determined by a threshold of $\pm 10\%$ impact to PEXA's greenhouse gas emissions. Any significant GHG emission changes triggering a recalculation will be supported with an outlined justification, clearly articulating the context for and methodology used.

³ Greenhouse Gas Protocol - A corporate accounting and reporting standard, Revised edition, 2015



Reporting methodology

Data sources

PEXA aims to ensure the highest level of accuracy in all sources of data used to calculate GHG emissions. As such, at times when primary data is not available, estimates have been used to ensure completeness of this inventory.

- **Primary** – to provide the most accurate account of the GHG emission profile, PEXA has prioritised the use of primary data sources where possible.
- **Estimations** – in the absence of primary data sources, PEXA utilises estimated data as a proxy and best practice methodology to determine to the most accurate emission calculation.

Calculations

Calculations have been completed in line with the GHG protocol guidance, using the most up to date emission factors and calculation methodology.

We recognise that COVID-19 restrictions have had an impact on PEXA's standard operating procedures during the reporting period, 1 July 2020 – 30 June 2021, and therefore an impact on the emissions profile. Such impacts include office closures, restricted business travel, and a reduction of events and in-person training.

Quality assurance

Data, methodologies and calculations have undergone an internal quality assurance review prior to the publication of this inventory. This inventory is an accurate account of PEXA's emissions profile. All material data limitations and estimates are disclosed and outlined within this report.

PEXA has undertaken independent limited assurance over this GHG inventory, located in appendix A.





Greenhouse gas emissions in detail

Scope 1: Disaggregation by facility

Material Scope 1 GHG emissions comprised of direct emissions from natural gas consumed across office-based facilities where operational control is observed.

Table 3: FY2021 Scope 1 calculations disaggregated by facility

Facility	Usage	Emissions Factors	Total emissions	Data source	Uncertainty description
Tower 4, L16, 727 Collins St, Docklands, VIC	527.82 GJ	51.4 kgCO ₂ /GJ 1 kgCH ₄ /GJ 0.03 kgN ₂ O/GJ	27.68 tCO ₂ e	Primary: annual gas usage for the reporting period provided by facility management.	Gas usage is measured by floor and not provided per lease. Therefore, the gas usage is an estimate of PEXA usage.
13/300 Ann St, Brisbane, QLD	-	-	-	N/A	300 Ann St, Brisbane is a gas free facility, as such no emissions are recorded.

Exclusions:

- Refrigerants are not used at any facility and therefore have been excluded from this inventory.

Emissions factor source:

- Department of Industry, Science, Energy and Resources - National Greenhouse Accounts Factors report 2021 (pg.12), natural gas distributed in a pipeline.



Scope 2: Disaggregation by facility

Material Scope 2 GHG emissions are comprised of indirect emissions from the purchase of electricity consumed across office-based facilities where operational control is observed. PEXA has used the market-based method to estimate scope 2 emissions.

Table 4: FY2021 Scope 2 calculations disaggregated by facility

Facility	Usage	Emissions Factors	Total emissions	Data source	Uncertainty description
Tower 4, L16, 727 Collins St, Docklands, VIC	49846.9 kWh	0.96 Kg CO ₂ e/kWh	47.85 tCO ₂ e	Primary: annual electricity usage for the reporting period provided by facility management.	It is assumed the supplier has provided data for all meters.
13/300 Ann St, Brisbane, QLD	4448.04 kWh	0.8 Kg CO ₂ e/kWh	3.56 tCO ₂ e	Primary: Three months' worth of electricity bills.	It is assumed that consumption of electricity is consistent across the reporting period

Emissions factor source:

- Department of Industry, Science, Energy and Resources - National Greenhouse Accounts Factors report 2021 (pg.19), Table 5: Indirect (scope 2) emission factors for consumption of purchased electricity or loss of electricity from the grid.



Scope 3: Disaggregation by emission source

Office facilities: The below outlines emissions from office locations where operational control is not observed.

Table 5: FY2021 Scope 3 office facility calculations disaggregated by facility

Facility	Emission Source	Usage	Emissions Factors	Total emissions	Emissions Factor source	Data source	Uncertainty description
1/191 St Georges Terrace, Perth, WA	Natural gas	-	-	0 tCO ₂ e	N/A	N/A	191 St Georges Terrace, Perth is a gas free facility, as such no emissions are recorded.
	Electricity	146607 kWh	0.68 Kg CO ₂ e/kWh	1 tCO ₂ e	National Greenhouse Accounts Factors report 2021	Primary: Facility management reporting	It is assumed the occupied floor space, usage and total cost of electricity reported by the facility is accurate. It is assumed the cost per kWh in WA reported accurately by the facilities electricity provider.
10.04/66 Clarence Street, Sydney, NSW	Natural gas	-	-	0 tCO ₂ e	N/A	N/A	66 Clarence Street, Sydney is a gas free facility, as such no emissions are recorded.
	Electricity	3,303.23 kWh	0.79 Kg CO ₂ e/kWh	2.61 tCO ₂ e	National Greenhouse Accounts Factors report 2021	Primary: Facility management reporting	Estimation has been determined from three months' worth of electricity bills and the occupied floor space. It is assumed the total cost and floor space are accurate. It is assumed the cost per kWh in NSW is an accurate reflection of the facilities electricity provider.
4 Peel Street, Adelaide, SA	Natural gas	-	-	0 tCO ₂ e	N/A	N/A	4 Peel street, Adelaide is a gas free facility, as such no emissions are recorded.
	Electricity	76418 kWh	0.35 Kg CO ₂ e/kWh	0.66 tCO ₂ e	National Greenhouse Accounts Factors report 2021	Primary: Facility management reporting	It is assumed the occupied floor space, usage and total cost of electricity reported by the facility is accurate.

Exclusions:

- 19/15 Williams street, Melbourne – Due to COVID-19 restrictions, this facility was closed from March 2020 to the end of lease in April 2021. The site was accessed only to vacate the premises. Therefore, any GHG emissions produced during this time are deemed insignificant, and this facility has been excluded from scope three reporting.
- Belvedere House, Basing View, Basingstoke RG21 4HG, United Kingdom – PEXA utilises this facility for their 14 London based employees as a coworking location, desk space and meeting rooms are hired as required. Due to limited data to support a basis for calculation and how the space is utilised, this facility has been excluded from scope three reporting.



Remote working: During the course of the COVID-19 pandemic, PEXA employees have been operating on a hybrid working model, both in office and from home. As a result, employees located in New South Wales, Victoria and the United Kingdom have operated predominantly from home over the course of the 2021 financial year. It is noted that employees residing in these locations have worked from the office on occasion, however due to COVID-19 restrictions the office facility emissions profiles have been positively impacted. Taking this into consideration, PEXA has opted to take a conservative approach to calculating the estimated emissions. All calculations are based on the assumption employees work a 40 hour work week and have been operating from home for the duration of the reporting period.

Table 6: FY2021 Scope 3 remote working calculations disaggregated by employee location

GHG Emission source	Usage	Emissions Factors	Total emissions	Emissions Factor source	Data source	Uncertainty description
Victorian employee residential gas emissions	9629 GJ	51.4 kgCO ₂ /GJ 1 kgCH ₄ /GJ 0.03 kgN ₂ O/GJ	504.8 tCO ₂ e	National Greenhouse Accounts Factors report 2021	Estimate: Australian bureau of statistics.	An average has been used in place of primary data per employee household.
Victorian employee residential electricity emissions	383460 kWh	0.96 KgCO ₂ e/kWh	368.1 tCO ₂ e	National Greenhouse Accounts Factors report 2021	Estimate: Canstarblue state-based statistics	A state-based average has been used in place of primary data per employee household.
New South Wales employee residential gas emissions	658 GJ	51.4 kgCO ₂ /GJ 1 kgCH ₄ /GJ 0.03 kgN ₂ O/GJ	34.5 tCO ₂ e	National Greenhouse Accounts Factors report 2021	Estimate: Australian bureau of statistics.	An average has been used in place of primary data per employee household.
New South Wales employee residential electricity emissions	30757 kWh	0.79 KgCO ₂ e/kWh	24.3 tCO ₂ e	National Greenhouse Accounts Factors report 2021	Estimate: Canstarblue state-based statistics	A state-based average has been used in place of primary data per employee household.
London employee residential electricity emissions	9704 kWh	0.25 KgCO ₂ e/kWh	2.43 tCO ₂ e	2020 UK Government Greenhouse gas conversion factors for company reporting	Estimate: Ofgen, Energy regulator via UKPower	An average has been used in place of primary data per employee household.

Exclusions: Residential gas usage for London based employees has been excluded due to lack of data to support a reliable basis for estimation of emissions.



Head office waste and recycling: The below outlines emissions from waste and recycling at PEXA's head office - Tower 4, 16/727 Collins street, Docklands, VIC 3008.

Table 7: FY2021 Scope 3 waste and recycling calculations disaggregated by emission source

GHG Emission source	Usage	Emissions Factors	Total emissions	Emissions Factor source	Data source	Uncertainty description
Landfill	2.47 t	21. t	5.18 tCO ₂ e	National Greenhouse Accounts Factors report 2021	Primary: Building management waste reporting	It is assumed the supplier reporting is a complete record of all landfill waste produced.
Paper & cardboard	0.5 t	3.3 t	1.65 tCO ₂ e	National Greenhouse Accounts Factors report 2021	Primary: Building management waste reporting	It is assumed the supplier reporting is a complete record of all paper and cardboard waste produced.
Organics	0.03 t	1.6 t	0.05 tCO ₂ e	National Greenhouse Accounts Factors report 2021	Primary: Building management waste reporting	It is assumed the supplier reporting is a complete record of all organic waste produced.
Co-mingled recycling	0.69 t	0 t	0 tCO ₂ e	National Greenhouse Accounts Factors report 2021	Primary: Building management waste reporting	It is assumed the supplier reporting is a complete record of all recycling waste produced.

Exclusions: All other office facilities have been excluded due to the lack of waste and recycling reporting available. Emissions from these locations are considered negligible.



Business travel: The below outlines emissions based on domestic and international business travel.

Table 8: FY2021 Scope 3 business travel calculations disaggregated by travel type:

GHG Emission source	Usage	Emissions Factors	Total emissions	Emissions Factor source	Data source	Uncertainty description
Domestic air travel	385 flights	N/A	161.33 tCO ₂ e	UK Department for Business, Energy & Industrial Strategy (DBEIS) and the Department for Environment, Food & Rural Affairs (DEFRA) 2019	Primary: Enterprise travel system emissions reporting and travel business expense claim report	It is assumed the supplier reporting is a complete record of all domestic air travel. It is assumed all travel have been logged for the reporting period.
Domestic accommodation	346 nights	N/A	32.8 tCO ₂ e	UK Department for Business, Energy & Industrial Strategy (DBEIS) and the Department for Environment, Food & Rural Affairs (DEFRA) 2019	Primary: Enterprise travel system emissions reporting	It is assumed the supplier reporting is a complete record of all domestic accommodation.
International air travel	7 flights	N/A	48.14 tCO ₂ e	UK Department for Business, Energy & Industrial Strategy (DBEIS) and the Department for Environment, Food & Rural Affairs (DEFRA) 2019	Primary: Enterprise travel system emissions reporting and travel business expense claim report	It is assumed the supplier reporting is a complete record of all domestic air travel. It is assumed all travel have been logged for the reporting period.
International accommodation	28 nights	N/A	0.97 tCO ₂ e	UK Department for Business, Energy & Industrial Strategy (DBEIS) and the Department for Environment, Food & Rural Affairs (DEFRA) 2019	Primary: Enterprise travel system emissions reporting	It is assumed the supplier reporting is a complete record of all international accommodation.



Fuel consumption: PEXA's fuel consumption for business is related travel is inclusive of taxi, Uber and kilometres travelled by frontline staff.

Table 9: FY2021 Scope 3 fuel consumption calculations disaggregated by emission source

GHG Emission source	Usage	Emissions Factors	Total emissions	Emissions Factor source	Data source	Uncertainty description
Taxi	13 kl	Petrol: 67.4 CO2 0.02 CH4 0.2 N2O	311 tCO2e	National Greenhouse Accounts Factors report 2021	Primary: Enterprise business expense claim report - Taxi	It is assumed all taxi receipts have been claimed for the reporting period. National vehicle statistics have been used in place of vehicle type data.
UBER	58 kl	Diesel: 69.9 CO2 0.01 CH4 0.5 N2O N/A N/A	140.5 tCO2e	National Greenhouse Accounts Factors report 2021	Primary: Enterprise Uber summary report	It is assumed all business travel via UBER was charged to the enterprise UBER account. National vehicle statistics have been used in place of vehicle type data.
Private vehicles	59.8 kl	N/A N/A	144.6 tCO2e	National Greenhouse Accounts Factors report 2021	Primary: Enterprise travel business expense claim report	It is assumed all kilometres have been logged for the reporting period. National vehicle statistics have been used in place of vehicle type data.

Supply chain: PEXA has considered all suppliers of the business and is comfortable that all material suppliers have been included in this report and are critical to business operations. PEXA will look to increase the scope of suppliers included in their GHG inventory based on relevance and data availability.

Table 10: FY2021 Scope 3 supply chain calculations disaggregated by supplier

GHG Emission source	Usage	Emissions Factors	Total emissions	Emissions Factor source	Data source	Uncertainty description
Accenture Australia ltd	183819 kWh	0.0007122 t/kWh	161.33 tCO2e	Department of Energy, Taguig city, Philippines - uzon-Visayas Grid, Simple operating margin EF 2015-2017	Primary: Accenture bespoke account report	It is assumed the leased area and electricity consumption reported by the supplier is accurate.
Amazon Commercial Services Pty Limited	N/A	N/A	330 tCO2e	N/A	Primary: Amazon carbon emissions reporting	Carbon emissions for PEXAs account were calculated by Amazon via a carbon emissions accounting system.
Verizon Australia PTY ltd	73584 kWh	0.79 KgCO2e/kWh	58.13 tCO2e	National Greenhouse Accounts Factors report 2021	Estimate: Verizon calculated an estimate of PEXA account.	It is assumed the electricity consumption is accurate.
Z Transport group (Courier services)	40.2 kl	Petrol: 67.4 CO2, 0.02 CH4, 0.2 N2O Diesel: 69.9 CO2, 0.01 CH4, 0.5 N2O	130.92 tCO2e	National Greenhouse Accounts Factors report 2021	Primary: Z transport group courier request report	It is assumed the supplier reporting is a complete record of all courier requests.

Exclusions: Items couriered by air have been excluded due to the lack of available data to support an accurate emissions calculation.

Conclusion

Our ambition is clear – as a leading Australian digital-based business, our goal is to be net zero as soon as practicable. As our base year report, the information collated within this report will be used to develop a roadmap to reach our goal.

Our GHG inventory will remain a live document, and PEXA commits to continuing to make improvements to both our data and inputs over the coming 12 months, and beyond.





Independent Limited Assurance Report to the Directors of PEXA Group Limited

Conclusion

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in PEXA Group Limited's (PEXA's) total Greenhouse Gas (GHG) emissions of 2,212.54t CO₂-e (Scopes 1, 2 and 3), which have been prepared by PEXA in accordance with the Greenhouse Gas Protocol published by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD) and the basis of preparation disclosed in PEXA's Greenhouse Gas Emissions Inventory Report July 2020 – June 2021 for the year ended 30 June 2021 (GHG Emissions Report).

Information Subject to Assurance

Information subject to assurance comprised PEXA's total GHG emissions of 2,212.54t CO₂-e for the year ended 30 June 2021, including Scope 1 emissions of 27.68t CO₂-e, Scope 2 emissions of 51.42t CO₂-e and Scope 3 emissions of 2,133.45t CO₂-e reported in the GHG Emissions Report.

Criteria Used

The criteria used as the basis of reporting includes the Greenhouse Gas Protocol published by the WRI and WBCSD and the basis of preparation disclosed in the GHG Emissions Report (Criteria). PEXA have used the market-based method of Method 2 estimation.

Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* and ASAE 3410 *Assurance on Greenhouse Gas Statements (Standards)*. In accordance with the Standards we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in PEXA's total GHG emissions, whether due to fraud or error;
- considered relevant PEXA internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- enquiries with relevant PEXA personnel to understand the internal controls, governance structure and reporting process for compiling PEXA's total GHG emissions;

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- assessment of the suitability and application of the Criteria in respect of PEXA's total GHG emissions;
- analytical procedures over PEXA's total GHG emissions;
- agreeing PEXA's total GHG emissions to relevant underlying sources on a sample basis; and
- reviewing the GHG Emissions Report in its entirety to ensure it is consistent with our overall knowledge of assurance engagement.

How the Standard Defines Limited Assurance and Material Misstatement

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of PEXA.

Use of this Assurance Report

This report has been prepared for the Directors of PEXA for the purpose of providing an assurance conclusion on PEXA's total GHG emissions and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of PEXA, or for any other purpose than that for which it was prepared.

Management's responsibility

Management are responsible for:

- determining that the Criteria is appropriate to meet their needs;
- preparing and presenting PEXA's total GHG emissions in accordance with the Criteria; and
- establishing internal controls that enable the preparation and presentation of PEXA's total GHG emissions that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to PEXA's total GHG emissions for the year ended 30 June 2021, and to issue an assurance report that includes our conclusion.

Our Independence and Quality Control

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.

KPMG

Julia Bilyanska

Director

Melbourne

26 October 2021

