PUBLIC DISCLOSURE STATEMENT

POTENTUM PARTNERS AUSTRALIA PTY LTD

SMALL ORGANISATION CERTIFICATION
CY2020 (TRUE-UP REPORT)

Australian Government

Climate Active
Public Disclosure Statement

POTENTUM PARTNERS

An Australian Government Initiative

Climate Active

NAME OF CERTIFIED ENTITY: Potentum Partners Australia Pty Ltd

REPORTING PERIOD: 1 January 2020 – 31 December 2020

Declaration

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.

Signature  Date 01/07/2021

Name of Signatory: David Simons

Position of Signatory: Founding Partner

Australian Government

Department of Industry, Science, Energy and Resources

Version number February 2021

1. CARBON NEUTRAL INFORMATION

Description of certification

The Australian business operations of Potentum Partners (ABN 27 630 921 863). International offices are outside of the boundary of this certification.

Organisation description

Potentum Partners is a private equity asset manager based in Melbourne, Australia and New York, United States.

Potentum Partners seeks to provide a different path to private equity markets for institutional investors and high net worth family offices seeking institutional quality access.

The business was formed in 2019 by senior members of the private equity team at Future Fund, Australia's sovereign wealth fund.

"Becoming a member of the Climate Active community solidifies our ongoing commitment to being a responsible investor and business".

2. EMISSION BOUNDARY

Diagram of the certification boundary

This is a small organisation certification, which uses the standard Climate Active small organisation emissions boundary.

Quantified

Business travel

Electricity

Telecommunications

Staff working from home

Advertising

Non-quantified

Waste

Water

Cleaning Services

IT Equipment and Services

Printing & Stationery

Taxis/Rideshare

Food & Catering

Postage/Couriers

Paper

Hotel Accommodation

Staff Commute

Excluded

N/A

Non-quantified sources

- Because of the Covid pandemic most Potentum staff worked from home for approximately 10 months of 2020 – as a result typical office expenditures on items such as water, waste, cleaning, printing, stationary, food & catering were relatively immaterial and therefore not quantified.
- Similarly expenditure on items such as IT equipment, Taxis/Rideshare, Postage and Couriers were all considered to be immaterial due to the small size of the office relative to flight emissions.

Data management plan

N/A

Excluded sources (outside of certification boundary)

N/A

"Being a responsible investor and organisation is both important to us and important to our clients.

We were already driving ESG through our investment process, asking other organisations to demonstrate their commitment to sustainable principles. It's only right then, that we do the same with our own organisation".

3. EMISSIONS SUMMARY

Emissions reduction strategy

COVID-19 has greatly impacted the way we work and hence our emissions output for 2020 is toned down and not a typical reflection of our usual operations, as a start-up business that ordinarily conducts international travel. Potentum Partners will be in an improved position to develop a more detailed emissions reduction strategy once some normalcy returns to the work environment, creating a clearer picture of where our typical baseline for emissions will sit and actions we can take to lower it. In the meantime, we will continue to reduce the use of resources by supporting and providing:

- flexible working from home arrangements to reduce emissions from transportation to/from the office and encouraging staff to use public transport where suitable for work travel.
- Online platforms for communication and record keeping to facilitate a culture of paperless activity and reduce the need for air travel, where appropriate.
- Consideration for the following factors for our pending office move: an office location relative to public transport availability for staff and clients, energy ratings when purchasing appliances, and using green energy from our power supplier if possible.

True up information

Table 1: True up of total net emissions

1) Projected emissions for reporting period	**430.311 t CO2-e**
2) Actual emissions for reporting period	153.639 t CO2-e
3) Difference	276.672 t CO2-e

Emissions summary (inventory)

Table 2: Summary of emissions

Emission source category	Project emissions tonnes	Actual Emissions tonnes CO_2-e
Air Transport (km)	395.959	116.821
Electricity	5.673	3.681
ICT services and equipment	0.808	1.027
Land and Sea Transport (km)	0.212	0.000
Office equipment & supplies	6.518	0.000
Professional Services	0.000	18.137
Working from home	0.000	4.905
Total Net Emissions	**409.170**	**144.571**

Uplift factors

Table 3: Summary of uplift factors

Reason for uplift factor		tonnes CO_2-e
Compulsory 5% uplift for small organisations	20.459	7.229
Additional business services (IT Equipment and Services, Food & Catering, and Hotel Accommodation)	0.682	1.840
Total footprint to offset (uplift factors + net emissions)	**430.311**	**153.639**

Carbon neutral products

This assessment and Climate Active submission was prepared with the assistance of Pangolin Associates and these services are also carbon neutral.

Electricity summary

Electricity was calculated using a location-based approach.

Table 4: Market-based approach summary

Market-based approach	Activity Data (kWh)	Emissions ($kgCO_2$-e)	Renewable %
Behind the meter consumption of electricity generated	0	0	0.0%
Total non-grid electricity	**0**	**0**	**0.0%**
LGC Purchased and retired (kWh) (including PPAs)	0	0	0.0%
GreenPower	0	0	0.0%
Jurisdictional renewables	0	0	0.0%
Residual Electricity	2,725	2,938	0.0%
Large Scale Renewable Energy Target (applied to grid electricity only)	652	0	19.3%
Total grid electricity	**3,377**	**2,938**	**19.3%**
Total Electricity Consumed (grid + non grid)	**3,377**	**2,938**	**19.3%**
Electricity renewables	652	0	
Residual Electricity	2,725	2,938	
Exported on-site generated electricity	**0**	**0**	
Emission Footprint ($kgCO_2$-e)		2,938	

Emission Footprint (tCO_2-e)	**3**
LRET renewables	**19.3%**
Voluntary Renewable Electricity	**0.0%**
Total renewables	**19.3%**

Table 5: Location-based approach summary

Location-based approach	Activity Data (kWh)	Emissions ($kgCO_2$-e)
Vic	3,377	3,681
Grid electricity (scope 2 and 3)	**3,377**	**3,681**
Total Electricity Consumed	**3,377**	**3,681**

Emission Footprint (tCO_2-e)	**4**

4. CARBON OFFSETS

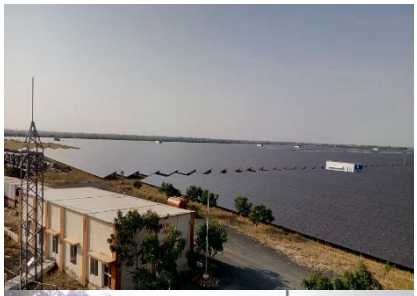
Offsets strategy

Table 6: Summary of offsets

Offset purchasing strategy: Forward purchased for CY2020, moving to arrears from CY2021.	
1. Total offsets previously forward purchased and banked for this report	431
2. Total emissions liability to offset for this report	154
3. Net offset balance for this reporting period	154
4. Total offsets to be forward purchased to offset the next reporting period	277
5. Total offsets required for this report	154

Co-benefits

Grid Interactive Solar Photovoltaic Power Project in Gujarat, India



This project consists of 25 MW of grid interactive solar photovoltaic power. It has been implemented by Louroux Bio Energies Ltd ("LBEL"), a Special Purpose Vehicle promoting clean energy for the parent company, Ajanta Overseas Ltd.

Situated in the Surendranagar District, this is the first renewable energy project on site. LBEL chose to install an advanced thin film solar cell technology, estimated to reduce or remove 41,034 tonnes of greenhouse gas emissions annually. The electricity generated here in Surendranagar displaces fossil fuel-fired power that feeds the North Eastern regional grids (NEWNE). The project contributes to a cleaner, more sustainable energy future for India.

Summary of benefits include:

Cleaner environment - The demand for energy grows rapidly in India, so grid connected renewables are an imperative for climate change mitigation. Unlike coal-based power, India's primary source of energy, solar PV leaves no footprint behind. There is no waste product. Further, whilst the clean energy generated reduces the requirement for fossil fuels, projects such as this one in Gujarat also act to conserve those fossil fuels under threat of depletion.

Social and economic wellbeing - This solar PV plant provides local communities with employment, lifting the economy and improving the quality of lives. The project has also brought infrastructure to allow new businesses to grow, particularly with the confidence of greater electricity supply feeding clean power into the local grid.

Tiwi Islands Northern Territory Community Credits – Aboriginal Carbon Foundation

In the Tiwi Islands, savanna burning is an important carbon farming project that is delivered in partnership with Tiwi Land Council and Charles Darwin University.

Savanna burning is a fire management method that prevents destructive bushfires (prevalent in tropical savannas of northern Australia) by reducing the fuel load in a controlled manner and therefore reducing greenhouse gas emissions. By practicing traditional patchwork burning in the early dry season when fires are cooler and by burning less country, there are fewer emissions released and more carbon is stored in the soil and plants, keeping the land healthy for the Tiwi people.

This method generates Australian Carbon Credit Units ("ACCU") and in turn brings environmental, social and cultural co-benefits:

Economic opportunity - by providing meaningful employment for the Tiwi people, aligning with the interests and values of Traditional Owners.

Traditional Ecological Knowledge - Elders sharing traditional ecological knowledge, benefiting the environment and enriching future generations with these learnings.

Broader environmental care - by supporting the work of the Tiwi rangers we are also supporting the broader biodiversity of the Tiwi Islands in the land and sea management that they oversee.

Offsets summary

Proof of cancellation of offset units

Table 7: Offset details

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**	**Eligible Quantity (tCO_2-e)**	**Quantity used for previous reporting periods**	**Quantity banked for future reporting periods**	**Quantity used for this reporting period claim**	**Percentage of total (%)**
Grid Interactive Solar Photovoltaic Power Project in Gujarat, India	VCUs	Verra	31 August 2020	7889-434634391-434634590-VCU-030-APX-IN-1-1413-01012015-31122015-0	2015	200	0	46	154	100%
Tiwi Islands Northern Territory – Aboriginal Carbon Foundation	ACCUs	ANREU	27 August 2020	3,772,959,797 – 3,772,960,027	2018	231	0	231	0	0%
								Total offsets retired this report and used in this report		154
								Total offsets retired this report and banked for future reports		277
Additional offsets cancelled for purposes other than Climate Active Carbon Neutral certification										**0**

Type of offset units	**Quantity (used for this reporting period claim)**	**Percentage of Total**
Verified Carbon Units (VCUs)	154	100%

5. USE OF TRADE MARK

Table 8: Use of trade mark

Description where trademark used	Logo type
Marketing materials	Certified organisation
Potentum Partners website www.potentumpartners.com	Certified organisation
Potentum Partners LinkedIn page	Certified organisation

6. ADDITIONAL INFORMATION

Signatory of:

PRI Principles for Responsible Investment

To demonstrate our commitment to Environmental, Social and Governance ("ESG") issues, Potentum Partners has signed the internationally recognised Principles for Responsible Investment ("PRI"). The UN-supported PRI is the world's leading proponent of responsible investment. It works to understand the investment implications of ESG factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole.

The PRI is independent. It encourages investors to use responsible investment to enhance returns and better manage risks, but does not operate for its own profit; it engages with global policymakers but is not associated with any government; it is supported by, but not part of, the United Nations. As a PRI signatory, Potentum Partners will publicly report on our responsible investment activity through the PRI Reporting Framework.

APPENDIX 1

Excluded emissions

To be deemed relevant an emission must meet two of the five relevance criteria. Excluded emissions are detailed below against each of the five criteria.

Table 9: Excluded emission sources

Relevance test					
Excluded emission sources	*The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions*	*The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.*	*Key stakeholders deem the emissions from a particular source are relevant.*	*The responsible entity has the potential to influence the reduction of emissions from a particular source.*	*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.*
N/A	N/A	N/A	N/A	N/A	N/A

APPENDIX 2

Non-quantified emissions for organisations

Table 10: Non-quantified emission sources

Non-quantification test				
Relevant-non-quantified emission sources	*Immaterial <1% for individual items and no more than 5% collectively*	*Quantification is not cost effective relative to the size of the emission but uplift applied.*	*Data unavailable but uplift applied. A data management plan must be put in place to provide data within 5 years.*	*Initial emissions non-quantified but repairs and replacements quantified*
Waste	Yes	No	No	No
Water	Yes	No	No	No
Cleaning Services	Yes	No	No	No
IT Equipment and Services	No	Yes	No	No
Printing & Stationery	Yes	No	No	No
Taxis/Rideshare	Yes	No	No	No
Food & Catering	No	Yes	No	No
Postage/Couriers	Yes	No	No	No
Paper	Yes	No	No	No
Hotel Accommodation	No	Yes	No	No
Staff Commute	Yes	No	No	No

An Australian Government Initiative

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