



PUBLIC DISCLOSURE STATEMENT

CARTHONA CAPITAL PTY LTD


ORGANISATION CERTIFICATION

FY2021-22

Australian Government

Climate Active Public Disclosure Statement



NAME OF CERTIFIED ENTITY	Carthona Capital Pty Ltd
REPORTING PERIOD	1 July 2021 – 30 June 2022 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>Dean Dorrell Partner 17 October 2022</p>



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

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Version March 2022. To be used for FY20/21/CY2021 reporting onwards.

1.CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	174.08 tCO ₂ -e
OFFSETS BOUGHT	100% VERs
RENEWABLE ELECTRICITY	18.59%
TECHNICAL ASSESSMENT	Next technical assessment due: N/A

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2. CARBON NEUTRAL INFORMATION

Description of certification

This carbon inventory has been prepared for the financial year from 1 July 2021 to 30 June 2022.

The emissions boundary has been defined based on the operational control approach. The boundary comprises the operations of Carthona Capital Pty Ltd as trustee for the Carthona Capital Ventures Trust (ABN 82 168 242 868) and associated entities ('Carthona'). All emissions under Carthona Capital's operational control have been included in the emissions inventory.

The greenhouse gases included in the inventory include all those that are reported under the Kyoto Protocol: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆). All emissions are reported in tonnes of carbon dioxide equivalent (t CO₂e) and uses relative global warming potentials (GWPs).

"Carthona is a socially minded organisation that takes the responsibility placed upon asset managers of reaching global carbon neutrality incredibly seriously, and Climate Active is a significant part of that responsibility"

Organisation description

Carthona Capital Pty Ltd as trustee for the Carthona Capital Ventures Trust (ABN 82 168 242 868) is a venture capital investor based in Sydney, Australia that invests in start-ups and high growth, technology businesses in Australia and occasionally globally. Carthona has one office location in Sydney. Its investors include a mix of institutional investors (for example superannuation funds), family offices, and high-net worth individuals. Carthona does not trade under any other names.

Carthona considers itself a socially minded organisation and considers the ESG impacts for all investments made at the point of investment (which it is expected to report to its institutional investors). It is also extremely committed to sustainable investing and businesses generally, and takes the responsibility on asset managers to lead the international charge of reaching 2050 very seriously – as demonstrated by reaching carbon neutrality as an organisation in the prior and in this financial year. Carthona is also a signatory to the Principles for Responsible Investment ('PRI'), a United Nations supported network.

3.EMISSIONS BOUNDARY

This is a small organisation certification, which uses the standard Climate Active small organisation emissions boundary. Emission sources can be excluded if they do not occur.

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		Outside emission boundary
<u>Quantified</u>	<u>Non-quantified</u>	<u>Excluded</u>
Accommodation	N/A	Investments
Base Buildings		Stationary energy
Electricity		Refrigerants
Food & catering		Carbon Neutral product and services
ICT services & equipment		Cleaning and chemicals
Office equipment & supplies		Water
Postage, freight & couriers		
Professional services		
Staff commuting		
Telecommunications		
Transport (Air)		
Taxis & rideshare		
Waste		
Working from home		

Data management plan for non-quantified sources

There are no non-quantified sources in the emission boundary that require a data management plan.

4.EMISSIONS REDUCTIONS

Emissions reduction strategy

Carthona Capital has developed an emission reduction strategy targeting the top emission sources from its base year inventory. Carthona Capital is committed to reducing emissions as much as possible within its entire value chain. Key reduction areas and opportunities have been identified as follows:

1. Professional Services

Professional Services is Carthona's largest source of carbon emissions. Whilst it is difficult for Carthona to control the rate that professional services charge our firm and as our business grows these expenses are only going to increase, Carthona will encourage our major services providers (largely legal, accounting and insurance) to initiate their own carbon reduction and offsetting initiatives to reduce our carbon footprint over the next 10 years, in particular through the use of services such as Pathzero.

Carthona has set a target to have 20% of its professional services fees being provided by organisations that have their own carbon reduction initiatives and offsets in place over the next 10 years.

2. Air Travel

Carthona will encourage staff to conduct meetings via teleconference rather than in person, where possible. Although Air Travel will likely continue to rise in the coming financial year as the world opens up following COVID-19 border closures and as our business grows, the executive team of Carthona will continue to review all air travel plans individually and consider each flight's necessity (and the ability to conduct via teleconferencing instead). Carthona will then review this on a yearly basis over the next 5 years at the end of each financial year to determine the effectiveness of this strategy, and whether to consider the need to change it.

Carthona has set an emissions reduction target to reduce emissions from Air Travel by 5% over the next 5 years.

3. Taxis & Rideshare

Instead of taking taxis or rideshare services to meetings, Carthona will encourage staff to walk or catch public transportation to meetings. Although the use of taxis and ride sharing is likely to continue to rise as people shift from working from home to being back in the office, Carthona will remind staff of this initiative on a weekly basis at an all-staff standup meeting. Carthona will then review this on a yearly basis over the next 5 years at the end of each financial year to determine the effectiveness of this strategy, and whether to consider the need to change it.

Carthona has set an emissions reduction target to reduce emissions from Taxis and Rideshare by 5% over the next 5 years.

Emissions reduction actions

During the past 12 months Carthona undertook the following actions designed to reduce our emissions:

- Have encouraged DLA Piper and HLB Mann Judd (our largest professional services providers) to use Pathzero as a tool to reduce their carbon emissions. Whilst progress is likely to take time, engagement has occurred at senior management levels – the Managing Partner of HLB Mann Judd, and senior corporate partners at DLA Piper.
- Encouraged staff to conduct meetings via teleconference rather than in person. The default for all initial pitch meetings for new potential investments are now conducted via a virtual meeting (rather than in person).
- All air travel is now reviewed on a case-by-case basis by the executive team of Carthona to ensure air travel is minimised
- Carthona now reminds staff on a regular basis (usually at our weekly all staff meeting) to turn-off computers, monitors, and other IT equipment when not working. Furthermore, staff are encouraged to wear warmer layers (instead of running the heating), rely on natural sunlight (instead of using lights) during the day, and ensure that lights are turned off when leaving working spaces.
- Carthona now reminds staff on a regular basis (usually at our weekly all staff meeting) to walk or take public transportation (rather than rideshare or taxis) to all meetings.

5.EMISSIONS SUMMARY

Emissions over time

Carthona Capital's results show an increase in emissions in FY2021-22, largely attributable to the reduction of covid restrictions which have increased travel and office occupancy significantly. Carthona Capital has experienced significant growth in the business resulting in an increase in the engagement of professional services that have needed to be engaged.

Carthona Capital's emissions over time from FY2020-21 to FY2021-22 are summarized in Table 1. Please note that the figures are reported as net total tCO₂-e to be in line with the Climate Active inventory, which was applied in the current reporting year. The nature of emission changes for existing emission sources is described on Table 2.

Table 1

Emissions since base year		Total tCO ₂ -e
Base year/Year 1:	2020-21	89.84
Year 2:	2021-22	165.79

Significant changes in emissions

Table 2

Emission source name	Current year (tCO ₂ -e and/ or activity data)	Previous year (tCO ₂ -e and/ or activity data)	Detailed reason for change
Professional Services	123.02	63.17	Significant growth in the business as our funds under management increases and we deploy more capital into an increasing number of investments. It has also been affected by the increasing average maturity of our portfolio – as our investee portfolio companies grow, so too does the complexity (and therefore cost) of the professional services we have needed to engage.
Food and Catering	9.02	0.25	Reduction in stay-at-home orders associated with COVID-19 seeing staff return to the office (rather than working from home).

Use of Climate Active carbon neutral products and services

Carthona does not use any Climate Active carbon neutral products or services.

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 Scope 1 (tCO ₂ -e)	Sum of Scope 2 (tCO ₂ -e)	Sum of Scope 3 (tCO ₂ -e)	Sum of total emissions (tCO ₂ -e)
Accommodation and facilities	0	0	1.31	1.31
Transport (Air)	0	0	2.43	2.43
Base buildings	0	0	6.6	6.6
Electricity	0	4.83	0	4.83
Food	0	0	9.02	9.02
ICT services and equipment	0	0	4.96	4.96
Office equipment & supplies	0	0	0.028	0.028
Postage, courier and freight	0	0	0.052	0.052
Professional services	0	0	123.02	123.02
Staff commuting	0	0	2.38	2.38
Taxi & rideshare	0	0	4.79	4.79
Waste	0	0	2.99	2.99
Working from home	0	0	3.36	3.36
Total	0	4.83	160.96	165.77

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.

For small organisation certifications, a 5% uplift must be applied to the emissions total, in addition to any uplifts applied to account for non-quantified and/or immaterial emission sources. All uplifts applied must be listed below.

Reason for uplift factor	tCO ₂ -e
Compulsory additional 5% of the total to be added for small organisations	8.29
Total footprint to offset	174.06
<i>(total net emissions from summary table + total uplifts)</i>	

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	175 tCO ₂ e
3. Total eligible offsets required for this report	175
4. Total eligible offsets purchased and retired for this report	175
5. Total eligible offsets banked to use toward next year's report	0

Co-benefits

The project is both a methane emissions reduction and energy production project. Methane produced in Kubratovo wastewater treatment plant is captured in common methane tanks serving as a buffer and then supplied to the newly installed CHP gas engines for electricity and heat production, which in turn will substitute both the plant's electricity purchases from the grid and diesel fuel usage. Excess electricity is supplied to the grid. The main purpose of the project is to transform the existing low tech sludge treatment process at Kubratovo into a modern advanced treatment process matching the best sludge treatment practices available in Western Europe. This transformation has a major effect on the environment through dramatically reducing the existing methane gas emissions at the plant while also reducing the volume of sludge (to as much as 50%) that needs to be transported, hence reducing GHG emissions from transportation as well (not included in GHG abatement calculations). The overall objective of the project is to provide an environmentally friendly sludge treatment process reducing methane and carbon dioxide emissions that – under a business-as-usual scenario – would have continued.

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 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 (%)
Methane Gas Capture and Electricity Production at Kubratovo Wastewater Treatment Plant, Sofia, Bulgaria	VERs	GSR	12 October 2022	GS1-1-BG-GS4238-6-2017-20053-22924-23089	2017		166	0	0	166	95%
Methane Gas Capture and Electricity Production at Kubratovo Wastewater Treatment Plant, Sofia, Bulgaria	VERs	GSR	14 October 2022	GS1-1-BG-GS4238-6-2017-20053-20894-20902	2017		9	0	0	9	5%
Total offsets retired this report and used in this report										175	
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 Emissions Reductions (VERs)	175	100%

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) summary

N/A

The following RECs have been surrendered to reduce electricity emissions under the market-based reporting method.

1. Large-scale Generation certificates (LGCs)*	0
2. Other RECs	0

* LGCs in this table only include those surrendered voluntarily (including through PPA arrangements), and does not include those surrendered in relation to the LRET, GreenPower, and jurisdictional renewables.

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 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 & 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)	1,109	0	0%
Residual Electricity	4,855	4,831	0%
Total grid electricity	5,964	4,831	19%
Total Electricity Consumed (grid + non grid)	5,964	4,831	19%
Electricity renewables	1,109	0	
Residual Electricity	4,855	4,831	
Exported on-site generated electricity	0	0	
Emissions (kgCO ₂ e)		4,831	
Total renewables (grid and non-grid)	18.59%		
Mandatory	18.59%		
Voluntary	0.00%		
Behind the meter	0.00%		

Residual Electricity Emission Footprint (TCO2e)	5
<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	5,964	4,652	417
SA	0	0	0
Vic	0	0	0
Qld	0	0	0
NT	0	0	0
WA	0	0	0
Tas	0	0	0
Grid electricity (scope 2 and 3)	5,964	4,652	417
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
Non-grid electricity (Behind the meter)	0	0	0
Total Electricity Consumed	5,964	4,652	417

Emission Footprint (TCO2e)	5
<i>Scope 2 Emissions (TCO2e)</i>	5
<i>Scope 3 Emissions (TCO2e)</i>	0

Climate Active Carbon Neutral Electricity summary

Carbon Neutral electricity offset by Climate Active Product	Activity Data (kWh)	Emissions (kgCO2e)
<i>Nil</i>	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
N/A	No	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.

Emissions from Investments has been excluded as it has been assessed as not relevant according to the relevance test.

Emission sources tested for relevance	(1) Size	(2) Influence	(3) Risk	(4) Stakeholders	(5) Outsourcing	Included in boundary?
Investments	Yes	No	No	No	No	No

The following emissions do not occur in the organisation, therefore are excluded:

1. Stationary energy
2. Refrigerants
3. Carbon Neutral product and services
4. Cleaning and chemicals
5. Water



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