PUBLIC DISCLOSURE STATEMENT

POTENTUM PARTNERS AUSTRALIA PTY LTD

SMALL ORGANISATION CERTIFICATION
CY2021

Australian Government

Climate Active
Public Disclosure Statement

An Australian Government Initiative

NAME OF CERTIFIED ENTITY	Potentum Partners Australia Pty Ltd
REPORTING PERIOD	1 January 2021 – 31 December 2021 Arrears report
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.*  Name of signatory: David Simons Position of signatory: Founding Partner Date: 17/5/23

Australian Government
Department of Industry, Science, Energy and Resources

1.CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	241 tCO_2-e
OFFSETS BOUGHT	96% ACCUs, 4% VCUs,
RENEWABLE ELECTRICITY	N/A
TECHNICAL ASSESSMENT	N/A (small organisation)

Contents

2. CARBON NEUTRAL INFORMATION

Description of certification

This certification covers the business operations of Potentum Partners (ABN 27 630 921 863) in Australia and the United States of America.

Emissions from investments are not included in the scope of this certification.

Organisation description

Potentum Partners is a private equity asset manager based in Melbourne, Australia and New Jersey, 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."

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

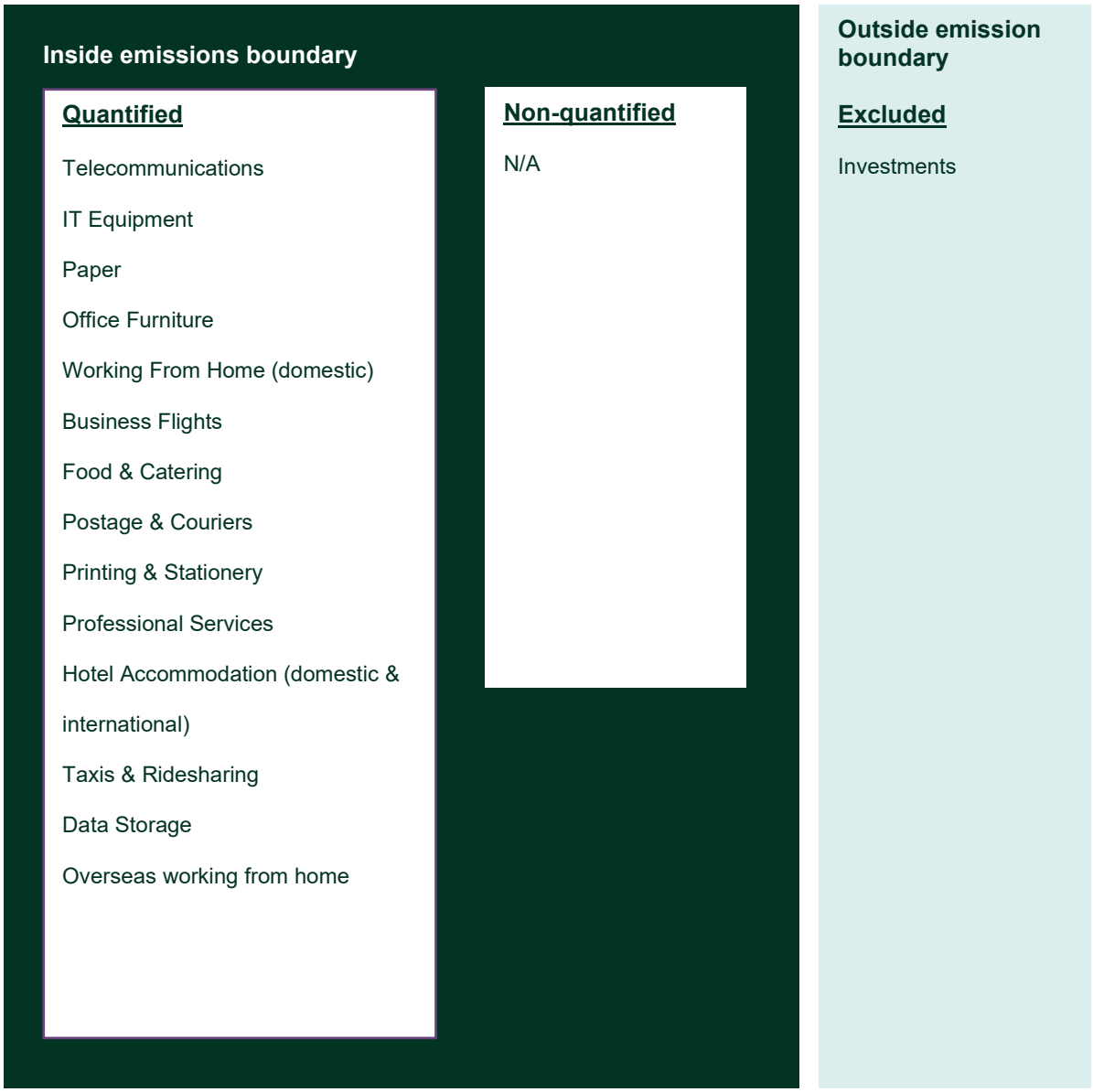
All emission sources listed in the emissions boundary are part of the carbon neutral claim.

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.



Data management plan for non-quantified sources

N/A

4.EMISSIONS REDUCTIONS

Emissions reduction strategy

As a relatively young firm (that was only established in 2019), we are still in growth stage, so goal setting needs to be realistically considered against this factor and a reduction in emissions per capita would be the best measurement for this. 2019 (pre COVID-19), was the only year that we have been operating that has resembled something like a normal operating year, as such we will use these calculations to develop our overall emissions reduction strategy. For the equivalent of 4 staff, our carbon emissions output was calculated at 430.3 tonnes. If you were to then divide that per capita, it works out as 107.6 tonnes per employee. Therefore, our emissions reduction strategy would be to reduce at least 10% per capita by 2030.

Practically, we anticipate our carbon footprint to continue to increase into 2022 with COVID-19 restrictions further easing and the expectation of business growth and subsequent employment of more staff to fill roles in our Australian and US operations. During the pandemic, we closed our physical office in Australia and stopped our search for an office space in the US. As restrictions continue to ease and as we build out the team, we plan to have physical offices in both countries. However, in continued support for flexible work arrangements and our overall emissions reduction strategy, we will be looking for smaller spaces that will accommodate this type of work style. As part of our office procurement process, we will endeavour to source commercial spaces that have a positive environmental aspect, such as a high NABERS rating, which is recognised in Australia.

Another consideration will be the location of our offices in relation to public transport that will allow employees and clients/visitors the ability to use this infrastructure as opposed to relying on private cars. End of trip facilities will also rate well when selecting an office space, e.g. bike storage. In addition to this, we have several employees that we expect will continue to work full time from home, which makes this transition to a small office occupancy possible.

Travel: Given our carbon emissions are relatively low in other areas, travel, specifically flying, will inevitably be our overall biggest producer of emissions. Whilst we have reduced our need to travel with the adoption of video conferencing, unfortunately this alone cannot replace in person meetings entirely. Flying is a necessary business requirement and unavoidable with our obligation to our clients to attend annual meetings, conferences and maintain our important business relationships abroad. With this in mind, we are limited in how we can further reduce these emissions, as we already only use commercial flights, not private. However, with eventual build out of our US team, we will be able to reduce the distance of long hauls flights, as our US team will be able to do US domestic trips and other countries that would have otherwise been trips taken by our Australian based team. In addition, we will continue to monitor our usage and where possible, look to use airlines that are investing in new ways to reduce their emissions via new technologies and sustainable fuel resources, in turn reducing our own carbon footprint.

Emissions reduction actions

Printing: As a business, we are highly proactive users in digital communication and have little waste in paper/printing production however where we could improve in this area is in the production of marketing decks that we produce for face to face client meetings. Whilst there is still a need for some print work to be done, we have committed to reducing this output by purchasing several iPads, specifically to use for client meetings to digitally display our marketing materials and lean towards offering our clients a soft copy afterwards, rather than the amount of deck handouts we have been distributing.

Advertising: A big component of this was using a third party to assist with marketing. We anticipate these emissions to reduce as we will look to bring these activities in-house for CY 2022, by employing our own Client Development Manager.

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5.EMISSIONS SUMMARY

Emissions over time

Potentum Partners carbon emissions have measured higher for CY 2021 at 240 tonnes carbon dioxide-equivalent (tCO_2-e) compared to CY 2020 at 153 tCO_2-e. There are a few reasons for this increase:

- Our boundaries for capturing carbon emissions have changed. Previously we were only taking into account our Australian operations however we have now expanded that to also include our US operations as well.
- CY 2020 was at the height of COVID-19 restrictions. During the course of CY 2021, COVID-19 restrictions began to lift, that meant we were able to participate in some normal business activities such as face to face meetings and some travel domestically and abroad. Slowly we started to see things begin to move towards more normal operating conditions.

Emissions since base year		
		Total tCO_2-e
Base year:	2019 (projection)	430.31
Year 1:	2020 (true up)	153.64
Year 2:	2021	228.96

Significant changes in emissions

Emission source name	Current year (tCO_2-e)	Previous year (tCO_2-e)	Detailed reason for change
Electricity (Tenancy and Base Building)	0	3.7	No use of office due to whole company working from home.
Business flights	200.77	116.8	Reduced number of flights previously due to the influence of COVID19 restrictions

Use of Climate Active carbon neutral products and services

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

Organisation emissions summary

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	1.42	1.42
Electricity	0	0	0	0.00
Food	0	0	0.90	0.90
ICT services and equipment	0	0	2.53	2.53
Office equipment & supplies	0	0	0.86	0.86
Postage, courier and freight	0	0	0.26	0.26
Professional Services	0	0	17.18	17.18
Transport (Air)	0	0	200.77	200.77
Transport (Land and Sea)	0	0	2.18	2.18
Working from home (Australia)	0	0	2.32	2.32
Working from home (international)	0	0	0.56	0.56
Total	**0**	**0**	**228.96**	**228.96**

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.

Reason for uplift factor	tCO_2-e
Compulsory additional 5% of the total to be added for small organisations	11.45
Total of all uplift factors	11.45
Total footprint to offset *(total net emissions from summary table + total uplifts)*	**240.41**

6. CARBON OFFSETS

Offsets retirement approach

In arrears		
1.	Total number of eligible offsets banked from last year's report	277
2.	Total emissions footprint to offset for this report (tCO_2-e)	241
3.	Total eligible offsets used in this report	241
4.	Total eligible offsets banked to use toward next year's report	36

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.

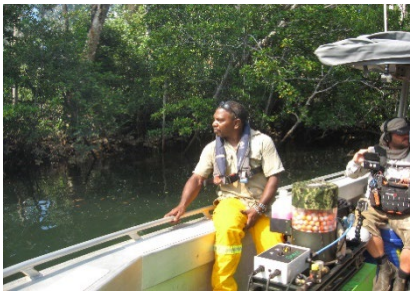
Savanna burning is a fire management method that prevents destructive bushfires (prevalent in tropical savannas of northern Australia) by reducing the fuel load in a controlled manner and therefore reducing greenhouse gas emissions. By practicing traditional patchwork burning in the early dry season 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.

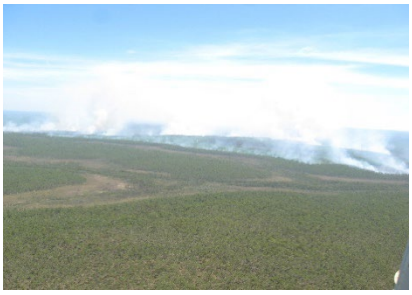
This method generates Australian Carbon Credit Units ("ACCU") and in turn brings environmental, social and cultural co-benefits:

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.





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 (%)**
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	154	36	10	4%
Tiwi Islands Savanna Burning for Greenhouse Gas Abatement	ACCUs	ANREU	27 August 2020	3,772,959,797 – 3,772,960,027	2018-19	-	231	0	0	231	96%
									Total offsets retired this report and used in this report	**242**	
									Total offsets retired this report and banked for future reports	**36**	

Type of offset units	Quantity (used for this reporting period claim)	Percentage of total
Australian Carbon Credit Units (ACCUs)	231	96%
Verified Carbon Units (VCUs)	10	4%

Evidence of retired ACCUs

Transaction Successfully Approved

Transaction ID	AU15963
Current Status	Completed (4)
Status Date	27/08/2020 10:36:29 (AEST) 27/08/2020 00:36:29 (GMT)
Transaction Type	Cancellation (4)
Transaction Initiator	Foley, Rowan Paul Bulmer
Transaction Approver	Foley, Rowan Paul Bulmer
Comment	

Offsetting Potentum Partners Climate Active Certificate 2020 with Community Credits (ACCU) generated from Tiwi Islands NT carbon project

Transferring Account

Account Number	AU-2798
Account Name	Aboriginal Carbon Fund Limited
Account Holder	Aboriginal Carbon Fund Limited

Acquiring Account

Account Number	AU-1068
Account Name	Australia Voluntary Cancellation Account
Account Holder	Commonwealth of Australia

Transaction Blocks

Party	Type	Transaction Type	Original CP	Current CP	ERF Project ID	NGER Facility ID	NGER Facility Name	Safeguard	Kyoto Project #	Vintage	Expiry Date	Serial Range	Quantity
AU	KACCU	Voluntary ACCU Cancellation			ERF105045					2018-19		3,772,959,797 - 3,772,960,027	231

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) summary

N/A

APPENDIX A: ADDITIONAL INFORMATION

N/A

APPENDIX B: ELECTRICITY SUMMARY

Electricity emissions are calculated using a **location-based approach.**

Potentum did not have use of an office and therefore has no Electricity emissions associated with its business for this reporting period.

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)	0	0	0
Residual Electricity	0	0	0
Total grid electricity	**0**	**0**	**0**
Total Electricity Consumed (grid + non grid)	**0**	**0**	**0**
Electricity renewables	0	0	
Residual Electricity	0	0	
Exported on-site generated electricity	**0**	**0**	
Emissions (kgCO2e)		0	

Total renewables (grid and non-grid)	**0**
Mandatory	**0**
Voluntary	**0**
Behind the meter	**0**
Residual electricity emissions footprint (tCO_2-e)	**0**

Figures may not sum due to rounding. Renewable percentage can be above 100%

Location-based approach summary

Location-based approach	Activity Data (kWh)	Scope 2 emissions ($kgCO_2$-e)	Scope 3 emissions ($kgCO_2$-e)
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
Grid electricity (scope 2 and 3)	**0**	**0**	**0**
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	**0**	**0**	**0**

Emissions footprint (tCO_2-e)	**0**
Scope 2 emissions (tCO_2-e)	0
Scope 3 emissions (tCO_2-e)	0

Climate Active carbon neutral electricity summary

Carbon Neutral electricity offset by Climate Active product	Activity Data (kWh)	Emissions ($kgCO_2$-e)
N/A	**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

No emission sources in Potentum Partners organisational boundary were non-quantified in FY2022.

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.

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

*Financed emissions from investments are outside of Potentum Partners' operational control, and therefore are excluded from their organisational boundary. This approach is in line with other financial institutions that are Climate Active carbon neutral certified. Emissions from investments are reported here as "excluded" for maximum transparency.

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