



PUBLIC DISCLOSURE STATEMENT


PATHZERO PTY LTD

PRODUCT CERTIFICATION

FY2022–23

Australian Government
Climate Active
Public Disclosure Statement



NAME OF CERTIFIED ENTITY	Pathzero Pty Ltd
REPORTING PERIOD	1 July 2022 – 30 June 2023 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>Carl Prins Co-founder & CEO 2 November 2023</p>



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

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Version: August 2023



1.CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	Offset by product: 0 tCO ₂ -e Offset by organisation: 287 tCO ₂ -e
THE OFFSETS USED	Offsets used by product: 0 tCO ₂ -e Offsets used by organisation: 287 tCO ₂ -e
RENEWABLE ELECTRICITY	57.7%
CARBON ACCOUNT	Prepared by: Pathzero Pty Ltd
TECHNICAL ASSESSMENT	1 December 2021 Pathzero Next technical assessment due: FY 2024

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2. CARBON NEUTRAL INFORMATION

Description of certification

This carbon inventory has been prepared for the financial year from 1 July 2022 to 30 June 2023.

The emissions boundary has been defined based on the operational control approach. The boundary comprises the operations of Pathzero Pty Ltd (ABN 25 640 001 047). All emissions under Pathzero'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).

Product description

Pathzero Clarity is a SaaS platform for businesses to measure, manage, reduce, offset and report on their carbon emissions. Pathzero Clarity provides organisations with detailed carbon information on their scope 1, 2 and 3 emissions, highlights areas of carbon intensity across their operations, suggests high-impact emissions reduction initiatives and facilitates investment in trustworthy offset programs for any emissions that cannot be eliminated.

In FY2022-23, Pathzero developed and released another product called Pathzero Navigator. Investors can use Pathzero Navigator to initially *estimate* financed emissions using financial data. They can then use the platform to directly request *actual* emissions data from portfolio companies. When portfolio companies provide the data, the *estimates* are automatically replaced with actuals. Both Pathzero Clarity and Pathzero Navigator have been accounted for in our product emissions and use the same functional unit described below.

The functional unit is per user web application hour and covers our complete product range (Pathzero Navigator and Pathzero Clarity). The cradle to gate product process is included in the emissions boundary.

About the organization

Pathzero Pty Ltd trades under the ABN 25 640 001 047 (Pathzero) and has no child companies. Pathzero is a technology company that enables institutional asset owners to obtain emissions data directly from their fund managers and investments instead of having to rely on sectoral estimates generated through proxy data. The focus of the business is private market investments including private equity, private debt, commercial real estate and infrastructure however we also provide all organisations with the tools and expertise they need to measure and manage their corporate emissions and share this information with their employees and stakeholders.

By bringing asset owners, asset managers and their portfolio companies onto a shared platform and offering emissions calculations aligned to global standards, Pathzero facilitates secure emissions data

sharing between parties to enable collaboration and data-informed decision-making to reduce emissions.

Pathzero's unique blend of proprietary software and expert consultancy provides an end-to-end process for organisations to measure, manage, reduce and report their corporate and financed greenhouse gas (GHG) emissions.

Pathzero is registered under the following address: Level 8, 11 York Street, Sydney NSW 2000.

During the FY2022-23 reporting period, Pathzero continued to be registered from Level 11, 10 Carrington Street, Sydney NSW 2000 while working from additional co-working spaces at the following addresses:

- 262 Churchill Ave, Subiaco WA 6008, Australia
- 92 Rupert St, Collingwood VIC 3066, Australia
- level 2/85 Beach Street, Queenstown 9300, New Zealand

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 'attributable processes' of a product or service. These attributable processes are services, materials and energy flows that become the product or service, make the product or service and carry the product or service through its life cycle. These attributable emissions have been quantified in the carbon inventory.

Non-quantified emissions have been assessed as attributable 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

Non-attributable emissions have been assessed as not attributable to a product or service. They can be **optionally included** in the emissions boundary and therefore have been offset, or they can be listed as outside of the emissions boundary (and are therefore not part of the carbon neutral claim). Further detail is available at Appendix D.

Inside emissions boundary

Quantified

Accommodation
Air travel
Base buildings
Electricity
ICT services and equipment
Office equipment & supplies
Transport (land and sea)
Professional services
Staff commuting
Waste
Working from home

Non-quantified

N/A

Optionally included

N/A

Outside emission boundary

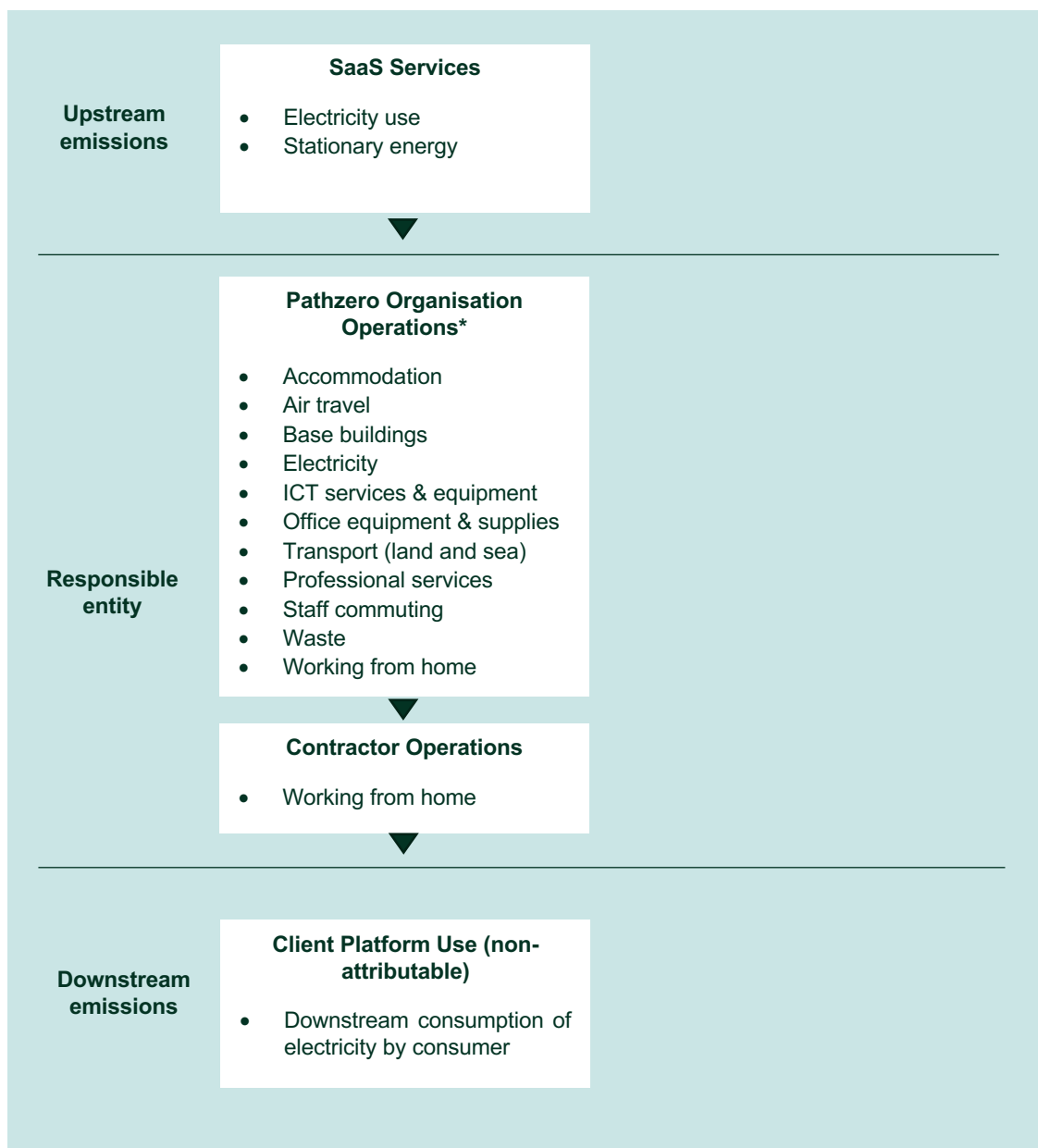
Non-attributable

Downstream consumption of electricity by customer

Product process diagram

The following diagram outlines the cradle to gate system boundary. The diagram shows the major emission sources for each stage. All attributable emission sources were determined and included in the inventory.

As the product operates under the same ABN as the Pathzero organisation certification, there will be an overlap of emissions. Under the Climate Active standard, emissions shared between Pathzero's product and organisation can be nullified as carbon neutral under the Parent-Child relationship. The Pathzero organisation certification is the Parent certification in this Parent-Child relationship and the Pathzero product certification captures where the overlap exists. The liability for the shared emission sources are offset as part of Pathzero organisation certification.



4. EMISSIONS REDUCTIONS

Emissions reduction strategy

Pathzero has developed an emission reduction strategy targeting the top emission sources from its base year inventory. The emission sources are captured across Pathzero organisation certification and product certification. Pathzero 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. Working from Home

As our team expands, Pathzero will continue to encourage flexible work arrangements for all employees. We value balance but also understand that working from home can have a high emissions impact. As such, we will develop an employee Working from Home Guide, to share internally with staff on ways to work efficiently, effectively, and sustainably.

To reduce working from home emissions, Pathzero is encouraging staff to reduce heating and cooling usage by closing windows, closing doors, and wearing warmer layers. Furthermore, staff are encouraged to rely on natural sunlight (instead of using lights) during the day and to ensure that lights are turned off when leaving working spaces.

Pathzero is also encouraging staff to reduce equipment usage by using the sleeping mode on your computer, turning-off the computer when not in use, turning-off IT equipment when not in use, and turning-off computer monitors when not in use. Pathzero will then review this annually at the end of each financial year for the next 5 years to determine the effectiveness of this strategy. Pathzero has set an emissions reduction target to reduce working from home emissions by 10% from its base year emissions inventory of 2021, by 2025.

2. ICT Services and Equipment

When purchasing IT equipment for new employees that are onboarded, Pathzero will ensure that the embodied emissions for all chosen technologies are investigated. Technology providers that disclose this information will be given preference. Where possible, Pathzero will choose the most sustainable option. Pathzero has set an emissions reduction target to reduce ICT services and equipment emissions by 10% from its base year emissions inventory of 2021, by 2025.

3. Professional Services

Pathzero is committed to reducing emissions across our entire value chain. A key area for reduction is within the professional service firms we currently partner with. Moving forward, Pathzero will implement a policy to preference the use of professional service firms who have also made sustainability and carbon neutral commitments.

Alongside this, Pathzero currently supports organisation's on their sustainability journey. We place strong emphasis on all our clients working towards carbon neutrality and eventually net zero reduction

goals. As part of our emission reduction strategy, we will continue to push the boundaries of organisation's who are on this journey with us, by supporting them to further reduce their impact and decarbonise going forward. Pathzero has set an emissions reduction target to reduce professional services emissions by 20% from its base year emissions inventory of 2021, by 2025.

Emissions reduction actions

In FY23 Pathzero approved an internal Climate Committee that was designed to develop sustainability strategies, guide our mission and vision and implement the strategies developed. During the past 12 months Pathzero continued to undertake the following actions designed to reduce our emissions:

- Pathzero has implemented a policy to preference the use of professional service firms who have also made sustainability and carbon neutral commitments.
- Pathzero reminds staff on a regular basis 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.
- When travelling for business purposes, Pathzero encourages staff to select the least emission intensive mode of travel. For example, taking the train and driving are prioritized over flying.
- Pathzero encourages staff to conduct meetings via teleconference rather than in person.
- Due to the rapid growth of the business resulting in the increase in purchase of IT equipment for new employees, Pathzero ensure that the embodied emissions for all chosen technologies are investigated and technology providers that disclose this information are given preference.

5. EMISSIONS SUMMARY

Emissions over time

Pathzero's results show an increase in product emissions from a FY2020-21 baseline year, which is attributable to growth of the company, resulting in an increase in the number of employees (6 FTE to 22 FTE) and in the engagement of professional services. Furthermore, the reduction of covid restrictions which have increased business travel and associated emissions. During the FY2020-21 reporting period, Pathzero did not occupy an office space and staff were working from home full-time since the establishment of the company. During the FY2022-23 reporting period, Pathzero began leasing an office space, resulting in an increase in electricity, staff commuting and office-based emissions.

Pathzero's product emissions over time from FY2021-2022 to FY2022-23 are summarized in Table 1. Please note that the figures are reported as net total tonnes CO₂-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.

Emissions since base year		Total tCO ₂ -e	Emissions intensity of the functional unit
Base year:	2020–21	59.68	0.06
Year 1:	2021–22	216.195	0.04
Year 2:	2022–23	247.63	0.01539

Significant changes in emissions

The below table outlines the key movements between FY2021-22 and FY2022-23. Emission sources in Pathzero's emissions boundary have increased due to organic business growth and Pathzero occupying multiple co-working spaces during the FY2022-23 reporting period.

Pathzero's emissions grew by over 25% percent from the previous reporting period of FY2021-22. This increase was mainly due to two emission sources, Professional services – marketing and distribution and ICT services and equipment – computer and technical services.

Table 2

Emission source name	Previous year emissions (t CO ₂ -e)	Current year emissions (t CO ₂ -e)	Detailed reason for change
Professional services – marketing and distribution	78.86	97.59	Increase in expenditure associated with business growth and product growth requiring the engagement of more professional services.
ICT services and equipment – computer and technical services	16.72	42.53	Increase in expenditure associated with business growth and product growth.

Use of Climate Active carbon neutral products and services

Certified brand name	Product or Service used
Hub Australia	Service

Emissions summary

Attributable Process	tCO ₂ -e
SaaS Services	42.53
Pathzero Organisation Operations + Contractor Operations	205.10

Emissions intensity per functional unit	0.01539
Number of functional units to be offset	16,081
Total emissions to be offset	247.63

6. CARBON OFFSETS

Offsets retirement approach

All emissions associated with the product are captured in the organization (parent) boundary and have been offset in the organization certification.

Please refer to [Pathzero Organisation Certification](#) Public Disclosure Statement FY22-23 for further information on the offsets required.

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) Summary

N/A

APPENDIX A: ADDITIONAL INFORMATION

N/A

APPENDIX B: ELECTRICITY SUMMARY

N/A

APPENDIX C: INSIDE EMISSIONS BOUNDARY

N/A

APPENDIX D: OUTSIDE EMISSION BOUNDARY

Non-attributable emissions have been assessed as not attributable to a product or service (do not carry, make or become the product/service) and are therefore not part of the carbon neutral claim. To be deemed attributable, an emission must meet two of the five relevance criteria. Emissions which only meet one condition of the relevance test can be assessed as non-attributable and therefore are outside the carbon neutral claim. Non-attributable emissions are detailed below.

1. **Size** The emissions from a particular source are likely to be large relative to other attributable emissions.
2. **Influence** The responsible entity could influence emissions reduction from a particular source.
3. **Risk** The emissions from a particular source contribute to the responsible entity's greenhouse gas risk exposure.
4. **Stakeholders** The emissions from a particular source are deemed relevant by key stakeholders.
5. **Outsourcing** The emissions are from outsourced activities that were previously undertaken by the responsible entity or from outsourced activities that are typically undertaken within the boundary for comparable products or services.

Non-attributable emissions sources summary

Emission sources tested for relevance	Size	Influence	Risk	Stakeholders	Outsourcing	Justification
Downstream consumption of electricity by customer	N	N	N	N	N	<p>Size: The emissions from this activity are unlikely to be large comparatively to the emissions associated to other attributable activities which have been included in the emissions boundary.</p> <p>Influence: We do not have the potential to influence the emissions from this source, including by shifting to a different lower-emissions supplier for our product/service.</p> <p>Risk: There are no relevant regulations currently stating that this emission source needs to be included in an emissions boundary, additionally, this activity has very limited, if any, industry risk associated to it.</p> <p>Stakeholders: This activity is unlikely to be deemed relevant by key stakeholders.</p> <p>Outsourcing: Pathzero have not previously undertaken this activity within our emissions boundary. This activity is also not included in comparable products and services emission boundaries.</p>



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