PUBLIC DISCLOSURE STATEMENT

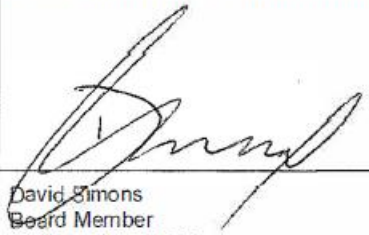
POTENTUM PARTNERS AUSTRALIA PTY LTD

SMALL ORGANISATION CERTIFICATION
CY2022

Australian Government

Climate Active
Public Disclosure Statement

An Australian Government Initiative

NAME OF CERTIFIED ENTITY	Potentum Partners Australia Pty Ltd
REPORTING PERIOD	January 2021 – 31 December 2022 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.*  David Simons Board Member 24 November 2023

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

Version March 2023.

1.CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	581 tCO_2-e
OFFSETS USED	100% VCUs
RENEWABLE ELECTRICITY	N/A
CARBON ACCOUNT	Prepared by: Pangolin Associates
TECHNICAL ASSESSMENT	n/a

Contents

2. CARBON NEUTRAL INFORMATION

Description of certification

This carbon inventory has been prepared for CY 2022. The emissions boundary has been defined based on the operational control approach. The boundary comprises the business operations of Potentum Partners Australia Pty Ltd (ABN 27 630 921 863) in Australia and Potentum Partners LP in the United States of America.

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

The methods used for collating data, performing calculations and presenting the carbon account are in accordance with the following standards:

- Climate Active Standards
- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- National Greenhouse and Energy Reporting (Measurement) Determination 2008

Organisation description

Potentum Partners is a private equity asset manager with offices 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.

3. EMISSIONS BOUNDARY

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

Inside the emissions boundary

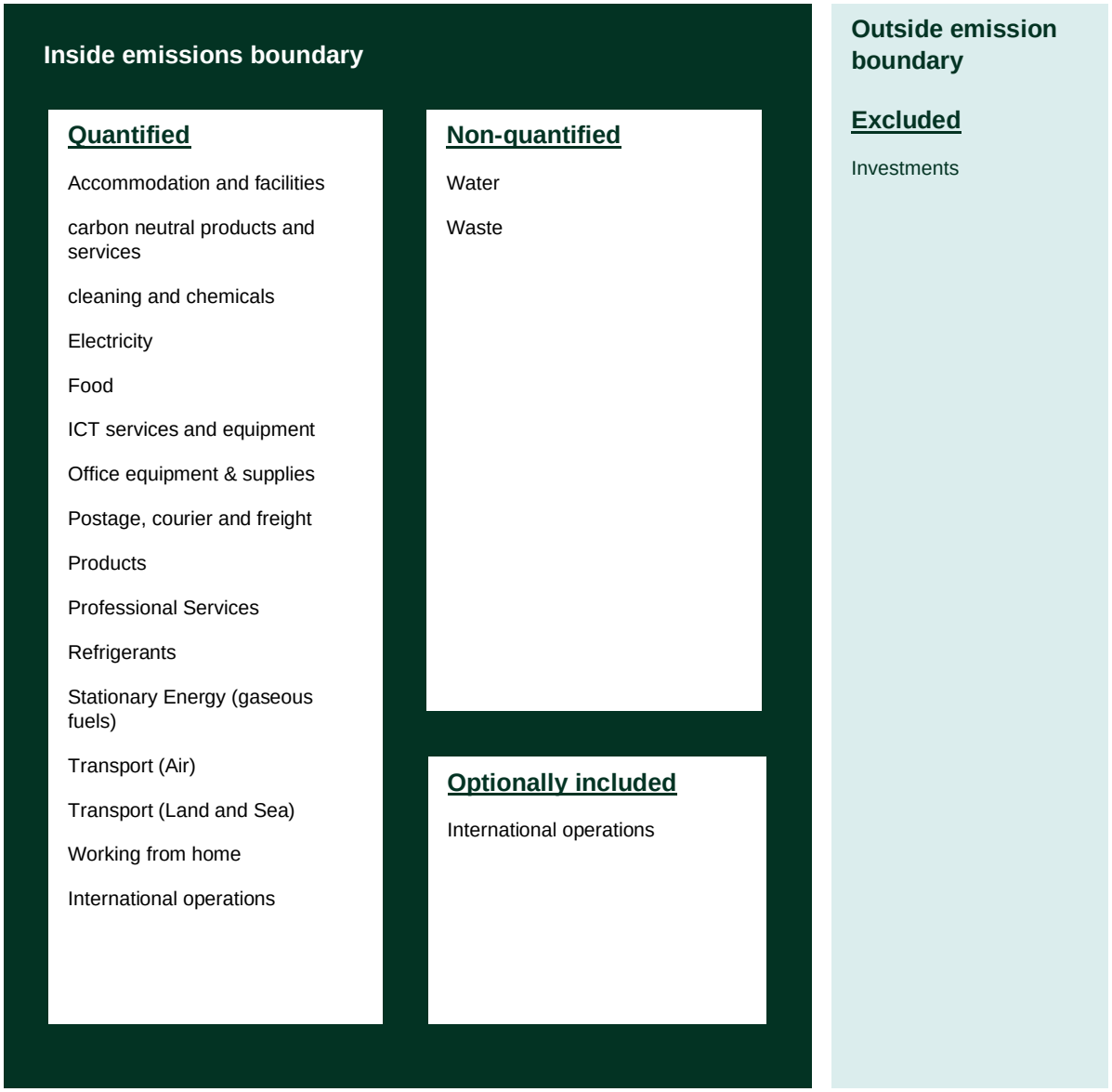
All emission sources listed in the emissions boundary are part of the carbon neutral claim.

Quantified emissions have been assessed as 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 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
Quantified
Accommodation and facilities
carbon neutral products and services
cleaning and chemicals
Electricity
Food
ICT services and equipment
Office equipment & supplies
Postage, courier and freight
Products
Professional Services
Refrigerants
Stationary Energy (gaseous fuels)
Transport (Air)
Transport (Land and Sea)
Working from home
International operations
Non-quantified
Water
Waste
Optionally included
International operations
Outside emission boundary
Excluded
Investments

4.EMISSIONS REDUCTIONS

Emissions reduction strategy

As anticipated our carbon footprint did see an increase 2022 with COVID 19 restrictions behind us, increased business activity/travel 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 life post pandemic began to return to more normal settings, it saw our team grow and we now have physical offices in both countries. However in continued support for flexible work arrangements and our overall emissions reduction strategy, we have moved into smaller spaces that accommodate this type of work style. As part of our office procurement process, we sourced commercial spaces that also have environmental considerations. E.g. our Australian office is part of The Loft, a coworking space based in South Yarra. The building has an impressive 5-star Green certification and a 5-star NABER rating for its energy, waste, water efficiency as well as end of trip facilities to allow for alternate modes of transport e.g. bike storage. With commutability an important consideration, we sought locations that are accessible to public transport. We wanted to ensure that employees and clients/visitors could use this infrastructure as opposed to relying on private cars. In addition to this, we have several employees that continue to work full time from home, which made this transition to small office occupancies possible.

Travel: Given our carbon emissions are relatively low in other areas, travel, specifically flying, will inevitably continue to 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, industry 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 the eventual build out of our US team, we will be able to reduce some of 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.

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 the purchase of several Surface Go’s (like an ipad) in CY 2022, 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.

As a relatively young firm (that was only established in 2019), we are still in growth stage and intend to add to the team to meet growing business needs, so goal setting needs to be realistically considered against this, 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 compared to a 2019 base year.

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 the purchase of several Surface Go's (like an ipad) in CY 2022, 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: During CY 2022, we hired a Client Development Manager to bring marketing in-house and hence no longer needing the services of a third party moving forward. This shall result in removing our emissions accrued via the external firm for fundraising activities and making the capturing of emissions more easily transparent to us.

5.EMISSIONS SUMMARY

Emissions over time

		Emissions since base year	
		Total tCO_2-e (without uplift)	Total tCO_2-e (with uplift)
Base year:	2019	409.170	430.31
Year 1:	2020	144.571	153.64
Year 2:	2021	228.96	240.41
Year 3:	2022	552.92	580.57

Total emissions have increased year-on-year due to an expanded boundary for the CY2022 reporting period.

Significant changes in emissions

Emission source name	Previous year emissions (t CO_2-e)	Current year emissions (t CO_2-e)	Detailed reason for change
Long business class flights (>3,700km)	180.93	240.82	Increased international travel from post-COVID operations and business growth
'Professional Services: accounting services'	0	118.8	Expansion of emissions boundary

Use of Climate Active carbon neutral products, services, buildings or precincts

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

Certified brand name	Product/Service/Building/Precinct used
Australia Post	Postal deliveries services
Pangolin Associates	Consulting services

Emissions summary

The electricity summary is available in the Appendix B. Electricity emissions were calculated using a location-based approach

Emission category	Sum of Scope 1 (t CO2-e)	Sum of Scope 2 (t CO2-e)	Sum of Scope 3 (t CO2-e)	Sum of Total Emissions (t CO2-e)
Accommodation and facilities	0.00	0.00	2.90	2.90
Carbon neutral products and services	0.00	0.00	0.00	0.00
Cleaning and chemicals	0.00	0.00	0.00	0.00
Electricity	0.00	1.73	0.51	2.24
Food	0.00	0.00	4.20	4.20
ICT services and equipment	0.00	0.00	8.61	8.61
Office equipment & supplies	0.00	0.00	1.06	1.06
Postage, courier and freight	0.00	0.00	0.09	0.09
Products	0.00	0.00	0.24	0.24
Professional Services	0.00	0.00	184.48	184.48
Refrigerants	0.04	0.00	0.00	0.04
Stationary Energy (gaseous fuels)	0.09	0.00	0.01	0.10
Transport (Air)	0.00	0.00	285.45	285.45
Transport (Land and Sea)	0.09	0.00	6.38	6.48
Working from home	0.00	0.00	1.76	1.76
International operations	0.00	0.00	55.28	55.28
Total	**0.23**	**1.73**	**550.96**	**552.92**

Uplift factors

An uplift factor is an upwards adjustment to the total carbon inventory to account for relevant emissions that cannot 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
Mandatory 5% uplift for small organisations	27.66
Total of all uplift factors	27.66
Total emissions footprint to offset *(total emissions from summary table + total of all uplift factors)*	**580.57**

6. CARBON OFFSETS

Offsets retirement approach

This certification has taken in-arrears offsetting approach. The total emission to offset is 581 t CO_2-e. The total number of eligible offsets used in this report is 581. Of the total eligible offsets used, 35 were previously banked and 750 were newly purchased and retired. 204 are remaining and have been banked for future use.

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.

Parbati Hydroelectric Project VCU Credit, India

NHPC Limited's Parbati Hydroelectric Project, Stage III is Greenfield Hydro Power Project located on river Sainj and Jiwa nallah a tributary of Beas River near village Bihali, Kullu district of Himachal Pradesh state of India. It is a run-of-the-river scheme whose design discharge includes the diversion of the tail race releases of Parbati Stage-II Power house as well as inflows from river Sainj and Jiwa nallah. The purpose of the project activity is to generate electrical power using hydel energy, through the operation of run of the river hydro turbines. The hydel energy generated from the hydel power plant is evacuated to the State Grid System which is part of NEWNE Grid. Generating power through hydel plant is a clean technology as no Carbon intensive fossil fuel is burnt during the process. A hydel turbine produces power by harnessing the available potential energy. Thus, there are no GHG emissions associated with the functioning of the hydro turbines. This in result replaces anthropogenic emissions of greenhouse gases (GHG's) estimated to be approximately 1,912,324 tCO2e per year, thereon displacing 1,975,950 MWh/year amount of electricity from the gird.

Summary of benefits include:

Project activity has generated direct and indirect employment for skilled and unskilled manpower during construction phase as well as during operational stage and thus helped in controlling migration from the region and alleviation of poverty.

The project activity's contribution of power supply towards the NEWNE grid is helping in the upliftment of the social life of the people by ensuring a sustainable and reliable source of power for the region.

The Project activity has improved the infrastructural facilities like water availability, road, and medical facilities etc in the region.

Eligible offsets retirement summary

Offsets retired 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 retired (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	VCUs	Verra	31 August 2020	7889-434634391-434634590-VCU- 030-APX-IN-1- 1413-01012015-31122015-0	2015	0	200	164	1	35	6%
Parbati Hydroelectric Project Stage III	VCUs	Verra	16 November 2023	9571-109960418-109960626-VCS-VCU-1491-VER-IN-1-1425-24032014-28122014-0	2014	0	209	0	0	209	36%
Parbati Hydroelectric Project Stage III	VCUs	Verra	16 November 2023	9572-109994706-109995246-VCS-VCU-1491-VER-IN-1-1425-29122014-29032015-0	2014-15	0	541	0	204	337	58%
									Total eligible offsets retired and used for this report	581	
									Total eligible offsets retired this report and banked for use in future reports	205	

Type of offset units	Eligible quantity (used for this reporting period)	Percentage of total
Verified Carbon Units (VCUs)	581	100%

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) summary

N/A

APPENDIX A: ADDITIONAL INFORMATION

N/A

APPENDIX B: ELECTRICITY SUMMARY

There are two international best-practice methods for calculating electricity emissions – the location-based method and the market-based method. Reporting electricity emissions under both methods is called dual reporting.

Dual reporting of electricity emissions is useful, as it provides different perspectives of the emissions associated with a business's electricity usage.

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.

For this certification, electricity emissions have been set by using the **location-based approach.**

Market Based Approach Summary

Market Based Approach	Activity Data (kWh)	Emissions (kg CO2-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)	0	0	0%
GreenPower	0	0	0%
Climate Active precinct/building (voluntary renewables)	0	0	0%
Precinct/Building (LRET)	0	0	0%
Precinct/Building jurisdictional renewables (LGCs surrendered)	0	0	0%
Electricity products (voluntary renewables)	0	0	0%
Electricity products (LRET)	0	0	0%
Electricity products jurisdictional renewables (LGCs surrendered)	0	0	0%
Jurisdictional renewables (LGCs surrendered)	0	0	0%
Jurisdictional renewables (LRET) (applied to ACT grid electricity)	0	0	0%
Large Scale Renewable Energy Target (applied to grid electricity only)	453	0	19%
Residual Electricity	1,979	1,890	0%
Total renewable electricity (grid + non grid)	**453**	**0**	**19%**
Total grid electricity	**2,432**	**1,890**	**19%**
Total electricity (grid + non grid)	**2,432**	**1,890**	**19%**
Percentage of residual electricity consumption under operational control	100%		
Residual electricity consumption under operational control	**1,979**	**1,890**	
Scope 2	1,748	1,669	
Scope 3 (includes T&D emissions from consumption under operational control)	231	221	
Residual electricity consumption not under operational control	**0**	**0**	
Scope 3	0	0	.

Total renewables (grid and non-grid)	**18.64%**
Mandatory	**18.64%**
Voluntary	**0.00%**
Behind the meter	**0.00%**
Residual scope 2 emissions (t CO2-e)	**1.67**
Residual scope 3 emissions (t CO2-e)	**0.22**
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO2-e)	**1.67**
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO2-e)	**0.22**
Total emissions liability (t CO2-e)	**1.89**

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

Location Based Approach Summary

Location Based Approach	Activity Data (kWh) total	Under operational control			Not under operational control	
Percentage of grid electricity consumption under operational control	**84%**	**(kWh)**	**Scope 2 Emissions (kg CO2-e)**	**Scope 3 Emissions (kg CO2-e)**	**(kWh)**	**Scope 3 Emissions (kg CO2-e)**
ACT	0	0	0	0	0	0
NSW	0	0	0	0	0	0
SA	0	0	0	0	0	0
VIC	2,432	2,035	1,730	142	397	366
QLD	0	0	0	0	0	0
NT	0	0	0	0	0	0
WA	0	0	0	0	0	0
TAS	0	0	0	0	0	0
Grid electricity (scope 2 and 3)	**2,432**	**2,035**	**1,730**	**142**	**397**	**366**
ACT	0	0	0	0		
NSW	0	0	0	0		
SA	0	0	0	0		
VIC	0	0	0	0		
QLD	0	0	0	0		
NT	0	0	0	0		
WA	0	0	0	0		
TAS	0	0	0	0		
Non-grid electricity (behind the meter)	**0**	**0**	**0**	**0**		
Total electricity (grid + non grid)	**2,432**					

Residual scope 2 emissions (t CO2-e)	**1.73**
Residual scope 3 emissions (t CO2-e)	**0.51**
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO2-e)	**1.73**
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO2-e)	**0.51**
Total emissions liability	**2.24**

Operations in Climate Active buildings and precincts

Operations in Climate Active buildings and precincts	Electricity consumed in Climate Active certified building/precinct (kWh)	Emissions (kg CO_2-e)
N/A	**0**	**0**
Climate Active carbon neutral electricity is not renewable electricity. These electricity emissions have been offset by another Climate Active member through their building or precinct certification. This electricity consumption is also included in the market based and location based summary tables. Any electricity that has been sourced as renewable electricity by the building/precinct under the market based method is outlined as such in the market based summary table.		

Climate Active carbon neutral electricity products

Climate Active carbon neutral product used	Electricity claimed from Climate Active electricity products (kWh)	Emissions (kg CO_2-e)
N/A	**0**	**0**
Climate Active carbon neutral electricity is not renewable electricity. These electricity emissions have been offset by another Climate Active member through their electricity product certification. This electricity consumption is also included in the market based and location-based summary tables. Any electricity that has been sourced as renewable electricity by the electricity product under the market-based method is outlined as such in the market based summary table.		

APPENDIX C: INSIDE EMISSIONS BOUNDARY

Non-quantified emission sources

The following emissions sources have been assessed as relevant, are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. 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	Justification reason
Water	Immaterial
Waste	Immaterial

Data management plan for non-quantified sources

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

APPENDIX D: OUTSIDE EMISSIONS BOUNDARY

Excluded emission sources

The below emission sources have been assessed as not relevant to this organisation'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

Excluded emissions sources summary

Emission sources tested for relevance	Size	Influence	Risk	Stakeholders	Outsourcing	Justification
Investments	Y	N	N	N	N	**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 business. **Risk:** There are no relevant laws or regulations that apply to limit emissions specifically from this source **Stakeholders:** Key stakeholders, including the public, are unlikely to consider this a relevant source of emissions for our business operations **Outsourcing:** This is not an outsourced activity

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