



PUBLIC DISCLOSURE STATEMENT

POTENTUM PARTNERS AUSTRALIA PTY LTD

ORGANISATION CERTIFICATION
CY2023


Australian Government

Climate Active Public Disclosure Statement



An Australian Government Initiative



NAME OF CERTIFIED ENTITY	Potentum Partners Australia Pty Ltd
REPORTING PERIOD	1 January 2023 – 31 December 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>David Simons Founding Partner</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	544.19 tCO ₂ -e
CARBON OFFSETS USED	100% VCUs
RENEWABLE ELECTRICITY	N/A
CARBON ACCOUNT	Prepared by: Pangolin Associates
TECHNICAL ASSESSMENT	N/A

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2.CERTIFICATION INFORMATION

Description of organisation certification

This carbon inventory has been prepared for CY 2023. 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

This Public Disclosure Statement includes information for CY2023 reporting period.

Organisation description

Potentum Partners is a private equity asset manager with offices in Melbourne; Australia and New Jersey; United States. The Australian office is located at: Level 2, 627 Chapel St, South Yarra, Vic 3141.

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
Climate Active carbon neutral products and services
Electricity
Food
ICT services and equipment
Office equipment and supplies
Postage, courier and freight
Products
Professional services
Refrigerants
Stationary energy (gaseous fuels)
Transport (air)
Transport (Land and Sea)
Working from home

Non-quantified

Waste
Water

Optionally included

International Operations

Outside emission boundary

Excluded

Cleaning and chemicals
Investments

4. EMISSIONS REDUCTIONS

Emissions Reduction Strategy

Office space: In maintaining support for flexible work arrangements, we were able to continue our occupation of smaller office spaces in both Australia and the US. This arrangement forms an important element of our emission reduction strategy. As previously noted, as part of our office procurement process, we sourced commercial spaces that also have environmental considerations. For example, 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 only.

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 sensible, 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 an area of improvement that we have actioned, 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 implemented the use 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.

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 is the best measurement for this. We have used our 2019 base year data (pre COVID 19) 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 is to reduce at least 10% per capita by 2030 compared to a 2019 base year.

Emissions Reduction Actions

As a result of our actions taken (as mentioned above) in our emissions reduction strategy and the engagement of business partners that are also Climate Active members, we have seen a reduction in emissions from 107.58 tCO₂-e per employee (FTE) in CY2019 to 75.09 tCO₂-e/FTE for CY 2023. This represents a 30.20% reduction per capita from CY2019 to CY2023, which exceeds our elected target. Although we know this reduction may fluctuate from year to year from anticipated business growth, we would expect the trend for our emissions output to remain stable relative to FTE as business matures and emissions reduction strategies are implemented and improved upon.

5.EMISSIONS SUMMARY

Emissions over time

Emissions since base year			
		Total tCO ₂ -e (without uplift)	Total tCO ₂ -e (with uplift)
Base year:	CY2019	409.170	430.31
Year 1:	CY2020	144.571	153.64
Year 2:	CY2021	228.96	240.41
Year 3:	CY2022	552.92	580.57
Year 4:	CY2023	518.27	544.19

Significant changes in emissions

Significant changes in emissions			
Emission source	Previous year emissions (t CO ₂ -e)	Current year emissions (t CO ₂ -e)	Reason for change
Short business class flights (>400km, ≤3,700km)	331.68	59.13	More long-distance flights were taken in CY2023. This, alongside improved data collection and more accurate internal reporting reduced emissions significantly.

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

Certified brand name	Product/Service/Building/Precinct used
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	Scope 1 emissions (tCO ₂ -e)	Scope 2 emissions (tCO ₂ -e)	Scope 3 emissions (tCO ₂ -e)	Total emissions (t CO ₂ -e)
Accommodation and facilities	0.00	0.00	4.83	4.83
Climate Active carbon neutral products and services	0.00	0.00	0.00	0.00
Electricity	0.00	1.72	1.18	2.90
Food	0.00	0.00	8.80	8.80
ICT services and equipment	0.00	0.00	14.26	14.26
Office equipment and supplies	0.00	0.00	1.45	1.45
Postage, courier and freight	0.00	0.00	0.10	0.10
Products	0.00	0.00	0.73	0.73
Professional services	0.00	0.00	129.97	129.97
Refrigerants	0.07	0.00	0.00	0.07
Stationary energy (gaseous fuels)	0.10	0.00	0.01	0.11
Transport (air)	0.00	0.00	333.70	333.70
Transport (Land and Sea)	0.25	0.00	19.05	19.30
Working from home	0.00	0.00	2.02	2.02
Total emissions (tCO₂-e)	0.42	1.72	516.13	518.27

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	25.91
Total emissions footprint to offset (tCO₂-e) <i>(total emissions from summary table + total of all uplift factors)</i>	544.19

6.CARBON OFFSETS

Eligible offsets retirement summary

Offsets retired for Climate Active certification

Type of offset units	Eligible quantity (used for this reporting period)	Percentage of total
Verified Carbon Units (VCUs)	308	56.5%
Verified Carbon Units (VCUs)	33	6.06%
Verified Carbon Units (VCUs)	204	37.4%

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 (%) emissions
Bundled Solar Power Project by Solararise India Projects Pvt. Ltd.	VCUs	Verra	27 Jun 2024	10730-245114661-245114968-VCS-VCU-997-VER-IN-1-1762-26042018-31122018-0	2018	-	308	0	0	308	56.5%
Bundled Solar Power Project by Solararise India Projects Pvt. Ltd	VCUs	Verra	16 Sep 2024	10730-245113503-245113535-VCS-VCU-997-VER-IN-1-1762-26042018-31122018-0	2018	-	33	0	0	33	6.06%
Parbati Hydroelectric Project Stage III	VCUs	Verra	16 Nov 2023	9572-109994706-109995246-VCS-VCU-1491-VER-IN-1-1425-29122014-29032015-0	2014-15	-	541	337	0	204	37.4%
Total eligible offsets retired and used for this report										545	
Total eligible offsets retired this report and banked for use in future reports									0		

Co-benefits

Bundled Solar Power Project by Solararise India Projects PVT. LTD, India

The main purpose of this project activity is to generate clean form of electricity through renewable solar energy source. The project is a bundled project activity which involves installation of 120 MW solar project in different states of India through SPVs. Over the 10 years of first crediting period, the project will replace anthropogenic emissions of greenhouse gases (GHG's) estimated to be approximately 213,089 tCO₂e per year, thereon displacing 220,752 MWh/year amount of electricity from the generation-mix of power plants connected to the Indian grid, which is mainly dominated by thermal/fossil fuel-based power plant. This project was open for public comment from 8 May - 7 June 2018. No comments were received.

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.

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 CO 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)	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)	462	0	19%
Residual Electricity	1,975	1,797	0%
Total renewable electricity (grid + non grid)	462	0	19%
Total grid electricity	2,437	1,797	19%
Total electricity (grid + non grid)	2,437	1,797	19%
Percentage of residual electricity consumption under operational control	82%		
Residual electricity consumption under operational control	1,625	1,479	
Scope 2	1,446	1,316	
Scope 3 (includes T&D emissions from consumption under operational control)	179	162	
Residual electricity consumption not under operational control	350	318	
Scope 3	350	318	

Total renewables (grid and non-grid)	18.96%
Mandatory	18.96%
Voluntary	0.00%
Behind the meter	0.00%
Residual scope 2 emissions (t CO₂-e)	1.32
Residual scope 3 emissions (t CO₂-e)	0.48
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO₂-e)	1.32
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO₂-e)	0.48
Total emissions liability (t CO₂-e)	1.80

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	82%	(kWh)	Scope 2 Emissions (kgCO ₂ -e)	Scope 3 Emissions (kgCO ₂ -e)	(kWh)	Scope 3 Emissions (kgCO ₂ -e)
ACT	0	0	0	0	0	0
NSW	0	0	0	0	0	0
SA	0	0	0	0	0	0
VIC	2,437	2,005	1,584	140	432	371
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)	2,437	2,005	1,584	140	432	371
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)	2,437					

Residual scope 2 emissions (t CO ₂ -e)	1.58
Residual scope 3 emissions (t CO ₂ -e)	0.51
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO ₂ -e)	1.58
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO ₂ -e)	0.51
Total emissions liability	2.10

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 organisations.

Excluded emissions sources summary

Emission sources tested for relevance	Size	Influence	Risk	Stakeholders	Outsourcing	Justification
Cleaning and chemicals	N	N	Y	N	N	<p>Size: This activity is not undertaken within our business in CY2023.</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 business. Any cleaning is conducted solely by building managers at each location.</p> <p>Stakeholders: Key stakeholders, including the public, are unlikely to consider this a relevant source of emissions for our business operations</p> <p>Outsourcing: We have not previously undertaken this activity within our emissions boundary and comparable organisations do not typically undertake this activity within their boundary.</p>
Investments	Y	N	N	N	N	<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 business.</p> <p>Risk: There are no relevant laws or regulations that apply to limit emissions specifically from this source</p> <p>Stakeholders: Key stakeholders, including the public, are unlikely to consider this a relevant source of emissions for our business operations</p> <p>Outsourcing: We have not previously undertaken this activity within our emissions boundary and comparable organisations do not typically undertake this activity within their boundary.</p>



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