



PUBLIC DISCLOSURE STATEMENT

**CRESCENT CAPITAL PARTNERS
MANAGEMENT PTY LIMITED**

**ORGANISATION CERTIFICATION
FY2021–22**


Australian Government
Climate Active
Public Disclosure Statement

CrescentCapitalPartners



An Australian Government Initiative



NAME OF CERTIFIED ENTITY	CRESCENT CAPITAL PARTNERS MANAGEMENT PTY LIMITED
REPORTING PERIOD	Financial Year 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></p> <p>Lucy Cooper Director – ESG</p> <p>1 December 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	489.40 tCO ₂ -e
OFFSETS BOUGHT	100% ACCUs
RENEWABLE ELECTRICITY	18.59%
TECHNICAL ASSESSMENT	19/10/2022 Verena Schubert Pathzero Pty Ltd Next technical assessment due: October 2025
THIRD PARTY VALIDATION	03/11/2022 Terence Jeyaretnam Ernst & Young

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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, in accordance with the principles of the National Greenhouse and Energy Reporting Act 2007. The boundary comprises the business operations of Crescent Capital Partners Management Pty Ltd ('Crescent Capital', or 'Crescent') of ABN 18 108 571 820 at the following location:

- Level 29 Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000, Australia

In step with the operational control approach, the emissions boundary does not include emissions directly attributed to the Fund Trustees, or emissions related to the investment portfolio of Crescent Capital Partners Management Pty Ltd. In addition to the emissions within the defined boundary, we have also quantified and optionally included all flights taken by Crescent Capital staff on behalf of Fund Trustees and investment portfolio companies.

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).

Organisation description

Crescent Capital is an independent private equity fund manager that was founded in 2000, making us one of Australia's oldest private equity firms. Through our deep in-house expertise assisting emerging and growth companies across Australia and New Zealand, we have raised over \$3 billion across six funds, completed more than 45 foundation investments and assisted our portfolio companies with over 150 follow-on acquisitions.

We are an active and experienced investor in healthcare in Australia with a disproportionate market share and return profile in all PE healthcare investments, with healthcare representing 45% of investments in the last 10 years. Our diverse portfolio also contains companies across industrial, financial services, technology, education and consumer brands.

We have large investment and ESG teams, with extensive strategy consulting and management experience, that deliver a highly structured and disciplined approach to portfolio management and ESG integration.

“Crescent Capital Partners believe it is the responsibility of private capital to take part in the transition to a low-carbon economy. Climate Active certification is important to us as it facilitates the delivery and communication of tangible emissions reduction activities.”

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 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
<p><u>Quantified</u></p> <ul style="list-style-type: none"> Accommodation and facilities Cleaning and Chemicals Climate Active Carbon Neutral Products and Services Electricity Food ICT services and equipment Office equipment & supplies Postage, courier and freight Professional Services Transport (Air) (Direct)² Waste Working from home Base building Staff commuting Taxis and rideshare 	<p><u>Non-quantified</u></p> <p>N/A</p>	<p><u>Excluded</u></p> <p>Professional services – minor business expenses, membership costs and fees¹</p>
	<p><u>Optionally included</u></p> <p>Transport (Air) (Indirect)³</p>	

¹ Irrelevant per the Climate Active 'Relevance Test' (category includes various fees and membership costs)

² Flights taken by Crescent Capital staff members on behalf of Crescent Capital Partners Management Pty Ltd (See Appendix for further information)

³ Flights taken by Crescent Capital staff members on behalf of Fund Trustees and investment portfolio companies (See Appendix for further information)

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

Ambition

In accordance with our Responsible Investment Policy, Crescent commits to taking positive action to reduce the risks and impacts of climate change and reduce our impact on the environment. As such Crescent is committed to maintaining our ongoing carbon neutrality, and to implementing the emissions reduction actions outlined below. We will also seek to identify further opportunities to reduce our overall emissions.

Reduction target

Crescent aims to reduce Scope 1 and 2 emissions by 42% by 2030, compared to a 2022 base year. We have selected this reduction target to align with the science-based target methodology (SBTi) scenario to limit global warming to well-below 2°C.

In addition we commit to more detailed analysis of our Scope 3 emissions including engagement with our suppliers, so that in the future we can commit to Scope 3 emissions reduction targets that are ambitious and achievable.

Actions

Crescent has identified the following actions to support achieving meaningful emissions reduction. They will put into place in the future where they are not already enacted:

Scope 1 and 2 emissions reduction

- **Energy management** (100% of Scope 1 and 2 emissions) –

Actions include:

- Reviewing procurement practices and transitioning to purchasing electronic equipment that holds the ENERGY STAR rating where appropriate
- Exploring further energy efficiency enhancement opportunities in our office space
- Transitioning supply of purchased electricity to renewable sources

Scope 3 emissions reduction

- **Purchased goods and services** (43% of Scope 3 emissions) –
Includes Professional Services, Food, ICT Equipment, and Other Services

Actions include:

- Engaging with suppliers to access and understand more detailed GHG emissions data
 - Identifying activities that can support emissions reductions across these services, and supporting their implementation
 - Introducing emissions criteria as a factor in suppliers selection – for example, where appropriate, we will preference carbon neutral services over high emissions providers
 - Development of indicators to monitor supplier emissions intensity over time
- **Air travel** (33% of Scope 3 emissions) –
Actions include:
 - Reviewing business travel policies and practices, such consideration of new criteria for travel and whether to offset purchased flights as default
 - Undertaking analysis to establish an appropriate emissions reduction target for air travel, setting targets after the next full financial year in which Australia's international borders are fully open for travel following the lifting of COVID-19 travel restrictions
 - **Base buildings** (11% of Scope 3 emissions) –
Actions include engaging with building services manager to identify and support emissions reduction opportunities across the facility, such as HVAC activities or accessing Greenpower
 - **Staff commuting** (6% of Scope 3 emissions) –
Actions include engaging with colleagues to promote more sustainable commuter travel and work practices, and exploring initiatives to support this

Other

- **Internal engagement** – To promote change and deliver success in the items listed above, we will establish an internal Sustainability Working Group that will:
 - Develop internal communication channels and provide peer-to-peer education
 - Provide guidance to promote the adoption of sustainability practices within the workplace
 - Increase awareness of our carbon footprint to facilitate engagement in reduction activities

5.EMISSIONS SUMMARY

Use of Climate Active carbon neutral products and services

Crescent Capital Partners used Climate Active certified services for Professional Services, which resulted in avoidance of 34.66 tCO₂-e emissions.

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	10.67	10.67
Cleaning and Chemicals	0	0	0.30	0.30
Climate Active Carbon Neutral Products and Services	0	0	0	0
Electricity	0	43.68	0	43.68
Food	0	0	46.75	46.75
ICT services and equipment	0	0	46.39	46.39
Office equipment & supplies	0	0	15.32	15.32
Postage, courier and freight	0	0	1.46	1.46
Professional Services	0	0	80.04	80.04
Transport (Air)	0	0	148.93	148.93
Waste	0	0	14.96	14.96
Working from home	0	0	2.64	2.64
Base building	0	0	49.35	49.35
Staff commuting	0	0	28.63	28.63
Taxis and rideshare	0	0	0.28	0.28
Total	0	43.68	445.72	489.40

Uplift factors

N/A

6. CARBON OFFSETS

Offsets retirement approach

In arrears

1. Total emissions footprint to offset for this report	489.40
2. Total eligible offsets purchased and retired for this report	490
3. Total eligible offsets banked to use toward next year's report	0

Co-benefits

Wilinggin Fire Project

The Wilinggin Fire Project is located on the Wilinggin Indigenous Protected Area in the Kimberley, on the northernmost tip of Western Australia. In this project, Traditional Owners carry out wildfire land management using indigenous practices derived from thousands of years of cultural experience, with the aid of modern tools and equipment.

By supporting the Wilinggin Fire Project, Crescent Capital is supporting the training and employment of Traditional Owners as fire specialists and rangers. Fire management practices such as early dry season burning reduce the amount of greenhouse gas emissions released into the atmosphere from unmanaged wildfires that occur in the late dry season.

In addition, enacting fire management practices protects vulnerable habitats, cultural sites, and community infrastructure from wildfires, and mitigates the impacts of weeds and feral animals on local threatened species.

Australian Forests For A Cleaner Climate #1

This project is based in Tasmania and is being implemented across multiple pine plantation sites with various owners. It consists of the conversion of the plantation cycles from short to long rotation harvest cycle, which allows for a greater amount of carbon to be sequestered from the atmosphere via the replanted pines.

Co-benefits include a reduction in the cost to local businesses of replanting the Monterey pines, and an increase in the production of timber, which is used to supply a local Tasmanian paper mill as well as sawlogs for export.

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 (%)
Wilingin Fire Project	ACCUs	ANREU	24 November 2022	8,332,623,065 – 8,332,623,307	2021-22	0	243	0	0	243	49.59%
Australian Forests For A Cleaner Climate #1	ACCUs	ANREU	24 November 2022	8,340,637,519 – 8,340,637,765	2021-22	0	247	0	0	247	50.41%
Total offsets retired this report and used in this report										490	
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					
Australian Carbon Credit Units (ACCUs)		490				100%					

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) summary

N/A

APPENDIX A: ADDITIONAL INFORMATION

Emissions Boundary clarification

This section clarifies the treatment of flights, and the difference between direct flights (which fall inside the emissions boundary), and indirect flights (which have been optionally included inside the emissions boundary).

Direct flights – 5.62 tCO₂e

Direct flights are flights that were taken by Crescent Capital Partners' staff members for activities related to *Crescent Capital Partners Management Pty Ltd* activities. These expenses are included in the Statement of Profit & Loss of *Crescent Capital Partners Management Pty Ltd*, and decisions related to the necessity and timing of these flights are always made by *Crescent Capital Partners Management Pty Ltd*. As such, under accounting and operational control measures, these fall naturally within the emissions boundary, and so are included under relevant, quantified emissions.

Indirect flights – 143.31 CO₂e

Indirect flights are flights taken by Crescent Capital Partners' employees for business activities for the benefit of the investors into the Crescent managed funds, for example, flights taken to meet the management of a potential investee company (a company the Crescent managed fund is looking to acquire). These flights are expenses in the Statement of Profit & Loss of the respective fund and not *Crescent Capital Partners Management Pty Ltd* and generally decisions related to the necessity and timing of these flights are dictated by the party on whose behalf they are taken. As a result, under the operational control approach, these would not be included within the emissions boundary.

Crescent Capital Partners recognises that these indirect flights would not regularly be included in the emissions boundary, but has chosen to optionally include these activities inside the emissions boundary. This is because Crescent believes this is important to do in line with the ethos of Climate Active Certification, and in order to truly account for the impact of Crescent's business activities. This is because although these flights do not fall in the scope of what is generally recognised by carbon accounting principles, the flights were taken by Crescent staff in the course of supporting Crescent portfolio companies and funds. Crescent has made this distinction clear in this document, to support the greater transparency of carbon accounting in a Private Equity context.

APPENDIX B: ELECTRICITY SUMMARY

Electricity emissions are calculated using a market-based approach.

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)	10,025	0	18.59%
Residual Electricity	43,902	43,681	0%
Total grid electricity	53,927	43,681	18.59%
Total Electricity Consumed (grid + non grid)	53,927	43,681	18.59%
Electricity renewables	10,025	0	
Residual Electricity	43,902	43,681	
Exported on-site generated electricity	0	0	
Emissions (kgCO ₂ e)		43,681	
Total renewables (grid and non-grid)	18.59%		
Mandatory	18.59%		
Voluntary	0.00%		
Behind the meter	0.00%		
Residual Electricity Emission Footprint (TCO₂e)	44		
<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	53,927	42,063	3,775
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)	53,927	42,063	3,775
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	53,927	42,063	3,775
Emission Footprint (TCO2e)	46		
<i>Scope 2 Emissions (TCO2e)</i>	42		
<i>Scope 3 Emissions (TCO2e)</i>	4		

Climate Active Carbon Neutral Electricity summary

Carbon Neutral electricity offset by Climate Active Product	Activity Data (kWh)	Emissions (kgCO2e)
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

N/A

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 Professional Services (minor business expenses, membership costs and fees) 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?
Professional Services (minor business expenses, membership costs and fees)	N	N	N	N	N	N



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