

Australian Government
Carbon Neutral Program
Public Disclosure Summary

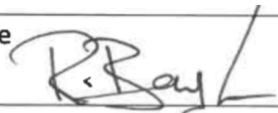


NAME OF CERTIFIED ENTITY: International Lubrication Distributors

REPORTING PERIOD: FY 2018/2019

Declaration:

To the best of my knowledge, the information provided in this Public Disclosure Summary is true and correct and meets the requirements of the National Carbon Offset Standard Carbon Neutral Program.

Signature 	Date 3 Jan 2020
Name of Signatory Roger Boyland	
Position of Signatory COO	

Carbon neutral certification category	Organisation
Date of most recent external verification/audit	20 th February 2018
Auditor	Ben Jenkins
Auditor assurance statement link	n/a

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Australian Government
Department of the Environment and Energy

1. Carbon neutral information

1A. International Lubricant Distributors

International Lubricant Distributors (ILD) is an Australian distributor of industrial lubricants servicing customers across Australia. ILD are committed to providing our customers with a premium level of customer service, technical support and quality control. ILD is proud of its leadership in the industry and as such, we identified the importance of becoming a certified Carbon neutral company. ILD's carbon neutral certification encompasses the operations of the organisation, including all major indirect carbon emissions from electricity consumption in offices, freight, facilities and electronic signage as well as from a range of other sources including employee travel, waste to landfill, recycling, equipment and third-party services.

ILD's carbon neutral certification is another way in which the company will position itself to stand out in its industry, while minimising our impact on the environment. The company anticipates that our customers will see the social and environmental benefits of working with a carbon neutral supplier.

For more information visit the [ILD website](#).

1B. Carbon Neutral

International Lubricant Distributors is the exclusive distributor of Sinopec Premium Lubricants in Australia. Over the past 10 years, the partnership between ILD and Sinopec has made a significant impact on Australia's lubricant industry. ILD leads the way in delivering a fresh new approach to doing business in today's extremely competitive lubricants environment. The ILD team is made up of dedicated lubricant specialists and senior business managers with local knowledge gathered from the world's most reputable global oil companies.

The ILD Carbon Neutral Program is another way in which ILD will lead the industrial lubricants industry in Australia. ILD expects to set the new standard in this field and anticipates that our customers will see the social and environmental benefits of working with a Carbon Neutral supplier.

ILD has changed the landscape for Tier One lubricant companies in Australia. ILD is the first to be fully ISO certified for its operations and customer sales fulfilment, not just manufacture. And as part of ILD's strategic direction, it has become the first to become fully carbon neutral certified as a company.

Being a carbon neutral company is important to ILD's identity as a market leader. ILD seeks to play an important part in Australian mining success story while still taking responsibility for its environmental obligations to the community. ILD works with many of Australia's blue-chip mining companies that also seek to identify themselves as socially and environmentally aware.

International Lubricant Distributors is a member of the Australian Governments' Carbon Neutral Program, which is administered by the Department of the Environment and Energy. This requires an annual carbon inventory to be developed in accordance with the National Carbon Offset Standard (NCOS) across all operations. International Lubricant Distributors has measured and offset direct carbon emissions from the consumption of transport fuels in its vehicle fleet and indirect carbon emissions from electricity consumption in offices, facilities and electronic signage as well as from a range of other sources including employee commuting, business travel, waste to landfill, recycling, equipment and third-party services.

This inventory has been prepared for the financial year from 1 July 2018 to 30 June 2019.

The operational boundary has been defined based on an operational control test, in accordance with the principles of the National Greenhouse and Energy Reporting Act 2007. This includes all operations which are controlled by the International Lubricant Distributors.

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

- National Carbon Offset Standard (NCOS) for organisations
- The GHG Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- National Greenhouse and Energy Reporting (Measurement) Determination 2008

Where possible, the calculation methodologies and emission factors used in this inventory are derived from the National Greenhouse Accounts (NGA) Factors in accordance with "Method 1" from the National Greenhouse and Energy Reporting (Measurement) Determination 2008.

The greenhouse gases considered within the inventory are those that are commonly reported under the Kyoto Protocol; carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and synthetic gases - hydrofluorocarbons (HFCs). No perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) or nitrogen trifluoride (NF₃) were detected within the operational boundary. All emission sources have been expressed as carbon dioxide equivalents (CO₂-e) using relative global warming potentials (GWPs).

1C. Emission sources within certification boundary

Quantified sources

Quantified sources

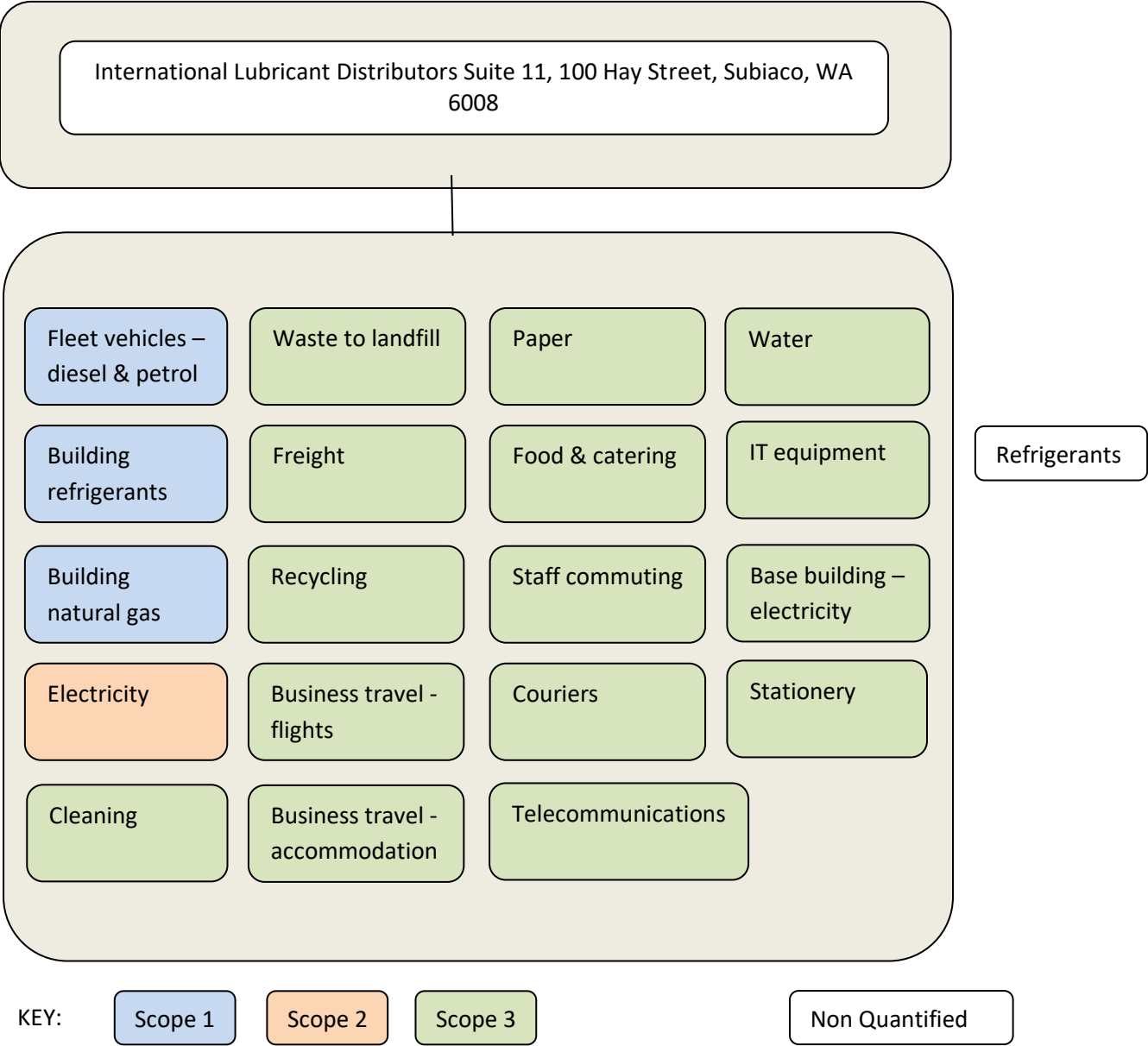
The sources of carbon emissions within the operational boundary are:

• Freight
• Electricity
• Electricity (base building)
• Employee commuting
• Business flights
• Telecommunications
• Water
• IT equipment
• Office paper
• Stationery
• Cleaning services
• Food and catering
• Couriers
• Hotel accommodation
• Waste – landfill and recycling.

Not-quantified sources

• Refrigerants - deemed immaterial

1D. Diagram of the certification boundary



2. Emissions reduction measures

2A. Emissions over time

Table 1. Emissions since base year			
	Base Year 2016/17	Year 1 2017/18	Current Year 2018/19
Scope 1	0.0	0.0	0.0
Scope 2	15.0	16.1	14.7
Scope 3	458.3	848.1	762.3
Total	473.3	864.2	777.0

2B. Emissions reduction strategy

The ILD Carbon Neutral Program will encompass the full suite of sales and procurement lifecycle activities. All activity generated by our company will be Carbon Neutral certified. As a growing business, ILD understands that its activities will have an increasing impact on the environment. As such, ILD seeks to offset its carbon footprint, identify methods of reducing waste and moving toward more environmentally friendly business methods.

As a lubricant business, ILD uses a large amount of packaging and freight. Although ILD may not directly handle these items, we are working with our supply partners to identify methods of reducing waste and lowering emissions. Discussions have been ongoing with some very positive results (described in the next section).

ILD has continued to invest in bulk storage solutions for lubricants to reduce packaging waste. Over the past year, ILD has managed to grow its volume of product movements while using less packaging. This program will continue throughout 2020.

On a smaller scale, ILD staff themselves have been tasked with identifying and implementing any small measures that could reduce our carbon footprint. This too has met with some success across the business.

ILD has introduced new travel policies that involve a new level of planning that helps reduce the number of flights required to service our customers. This process involves customer-sharing responsibilities where one sales person might visit another sales-person's customer within a similar region thereby extending the singles trip rather than requiring two separate trips. ILD will extend this program into 2020.

ILD grew more than 22% over the past year while managing to maintain a similar level of emissions from the previous year. This is testament to the awareness ILD staff have for reducing our carbon footprint. We will continue to seek new methods for carbon reduction across the business.

2C. Emissions reduction actions

ILD has been growing rapidly over the past ten years and we expect to our offer to continue to gain traction. Our aim is to slow our carbon footprint relative to the speed of our growth over coming years.

Over the past 12 months, ILD has identified that rail freight is more environmentally friendly method of transporting some of our larger, bulky goods across the country. Although this adds more time to the sales

fulfilment process, ILD has managed to introduce the changes while remaining within customer expectations for excellent service. ILD will look at similar opportunities for other goods as we move into FY 19. –

ILD found some success using rail freight over road freight for some of its bulky items which has produced favourable emissions results. We will continue this into 2020.

ILD has introduced a recycling system for used grease drums. Market practice is to clean the drums of grease and recycle the drums. This creates pollutants from the cleaning process and adds cost to the business. As an alternative, ILD has worked with a specialist metal recycling company to recover the unused grease and crush the drums. The grease can be recycled and used commercially. This system has both a better commercial and environmental impact.

ILD will continue its drum recycling program that appears to have had good results in 2019.

Throughout 2020, ILD will bring in more bulk storage for its customers and its warehouses in order to reduce the requirement for packaging, and to improve freight efficiency. This adds significant up-front investment for ILD, but it will replace a large amount of packaging and require less number of product movements by road and rail. This will have a tangible impact on ILD's carbon and environmental footprints.

3. Emissions summary

Table 2. Emissions Summary		
Scope	Emission source	t CO ₂ -e
2&3	Electricity	15.5
3	Electricity (base building)	27.4
3	Telecommunications	3.6
3	Water	0.3
3	IT Equipment	2.0
3	Office Paper	0.1
3	Employee Commute	13.0
3	Business Flights	140.1
3	Transport Fuels (privately owned)	42.8
3	Cleaning Services	0.4
3	Food & Catering	2.5
3	Couriers	1.4
3	Hotel Accommodation – Domestic	1.7
3	Hotel – International	3.9
3	Advertising	2.0
3	Freight	518.8
3	Waste Landfill	1.5
3	Waste – Recycling	0.0
Total Gross Emissions		777.0
GreenPower or retired LGCs		0.00
Total Net Emissions		777.0

4. Carbon offsets

4A. Offsets summary

Table 3. Offsets Summary				
Date of cancellation	Offset project, unit type and registry	Serial numbers	Vintage	Quantity
27/02/2019	APX registry – VCU Dachunhe Sanji 6MW Hydropower Project in Yunnan Province https://vcsregistry2.apx.com/myModule/rpt/myrpt.asp?r=206&h=24594	4941-205543083- 205543927-VCU-028- MER-CN-1-166- 01012014-31122014-0	2014	777
Total offsets cancelled				777
Net emissions after offsetting				0.00

4B. Offsets purchasing and retirement strategy

ILD's offsetting approach involves purchasing and retiring offsets in advance at the beginning of each reporting year as follows:

1. ILD retires a number of offsets equal to emissions for the previous year
2. At the end of the reporting year a further inventory is produced
3. A true-up (or down) occurs to bring offsets into line with actual emissions
4. ILD again retires a number of offsets equal to emissions measured for the previous year and the cycle continues.

5. Use of trade mark

Use of trademark will be used as per below when given authorization.

Table 4. Trade mark register	
Where used	Logo type
Website	Certified organisation
Company reports	Certified organisation