



PUBLIC DISCLOSURE STATEMENT

INTERNATIONAL LUBRICANT DISTRIBUTORS

**ORGANISATION
FY 2019 - 2020**

Australian Government
Climate Active
Public Disclosure Statement



NAME OF CERTIFIED ENTITY: International Lubricant Distributors Pty Ltd

REPORTING PERIOD: 1 July 2019 – 30 June 2020

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.

Signature

Date 22/2/2021

ROBERT BOYLAN

Name of Signatory

CHIEF OPERATIONS OFFICE

Position of Signatory



Australian Government

**Department of Industry, Science,
 Energy and Resources**

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1. CARBON NEUTRAL INFORMATION

Description of certification

This inventory has been prepared for the financial year from 1 July 2019 to 30 June 2020 and covers the Australian operations of International Lubricant Distributors.

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:

- Climate Active Standard for organisations
- The Greenhouse Gas 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).

"ILD believes it has an obligation to its stakeholders and the community to be a responsible corporate partner. Being Carbon Neutral sends a message about who we are."

Organisation description

International Lubricant Distributors is the exclusive distributor of Sinopec Premium Lubricants in Australia. Over the past 11 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. 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 the first major lubricant distributor in Australia to become 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. 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 has continually strived to differentiate itself from the competition through innovation, and its social and environmental programs. And as part of ILD's strategic direction, it has become the first 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.

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

2. EMISSION BOUNDARY

Diagram of the certification boundary



Non-quantified sources

- Refrigerants have been non-quantified due to being immaterial.

Data management plan

N/A

Excluded sources (outside of certification boundary)

N/A

“ILD is a leader in our industry, and we continue to look for opportunities to set the example for others to follow. We believe being Carbon Neutral is important for our industry and the community.”

3. EMISSIONS SUMMARY

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.

Going forward, ILD is considering building its own warehouse to create further efficiencies across the business. While this will increase the carbon footprint created directly by ILD it will decrease the overall footprint of our business as we realize increased efficiency.

Additionally, in the same vein as above, ILD is considering running its own freight which should reduce the number of individual trips from warehouse to customer site. This is work in progress at this stage and due for roll out in 2021.

Emissions over time

ILD continues to grow at a rapid pace. As such, ILD's emissions from the business operations have significantly increased, however, at a decreasing rate per litre sold as we go forward. There are a number of factors that will impact on this including:

- Size of the average customer. If ILD attracts a large number of smaller customers, we will see an increase in the rate of emissions per litre.
- However, if our increase in sales is based on the growth of our current customers, we will see a drop in the emissions-per-litre rate.
- We will continue to move our customers to bulk lubricants where possible – should we manage this with the current customer base, we can expect a reduction in the emissions-per-litre rate.

ILD does not expect any new emissions sources in the coming year, but we do have plans to expand the business, build and operate our own warehouse, bulk storage terminal and office facility. This will result in efficiencies across the business that will lead to a further reduction in emissions.

During FY2020 ILD's emissions significantly increased compared to the previous years. The main contributor for this was freight, during FY2020 ILD started putting their own tanks on customer sites and filling them up, transferring the freight cost from the customer to ILD. Also, ILD grew strongly. As well as this, ILD moved to a larger office which led to an increase in the electricity emissions.

Table 1

Emissions since base year				
	Base year: 2016-17	Year 1: 2017-18	Year 2: 2018-19	Current year Year 3: 2019-20
<i>Total tCO2e</i>	473.3	864.2	777.0	1,472.2

Emissions reduction actions

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 further invested in bulk storage solutions for the products. ILD has more than doubled the size of the Perth Bulk Lubricant facility from 240,000 litres to more than 600,000 litres. This dramatically reduced the amount of packaging required to move the products.

Additionally, ILD have further invested in bulk storage solutions at customer sites whereby ILD owns the bulk tanks and sends them “on loan” to the customer site. ILD takes responsibility for filling the tanks, thereby having the impact of:

- Dramatically reduced packaging requirements
- More efficient freight loads out to sites (we can optimize bulk freight loads)
- Reduced product waste at site
- An increase in ILD freight costs as ILD assumes responsibility for the bulk freight whereas previously the customer was responsible for freight of the packaged goods.

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 including the increase of video conferencing (before and during COVID-19).

ILD continues its customer-sharing programs whereby we optimize travel for staff by having multiple staff members cover customers visits for each other.

Emissions summary (inventory)

Table 2

Emission source category	tonnes CO ₂ -e
Accommodation and facilities	7.319
Business Flights	41.416
Cleaning and Chemicals	0.746
Electricity	57.256
Employee Commute	11.280
Food	14.991
ICT services and equipment	3.266
Merchandising	15.282
Office equipment & supplies	6.424
Postage, courier and freight	1,274.757
Products	0.124
Taxis & Ridesharing	1.094
Transport Fuels	35.698
Waste	0.751
Water	0.186
Working From Home	1.579
<i>Total Net Emissions</i>	1,472.168

Uplift factors

Table 3

Reason for uplift factor	tonnes CO ₂ -e
N/A	
<i>Total footprint to offset (uplift factors + net emissions)</i>	1,473

Carbon neutral products

N/A

Electricity summary

Electricity was calculated using a Location-based approach.

The Climate Active team are consulting on the use of a market vs location-based approach for electricity accounting with a view to finalising a policy decision for the carbon neutral certification by July 2020. Given a decision is still pending on the accounting way forward, a summary of emissions using both measures have been provided for full disclosure and to ensure year on year comparisons can be made.

Market-based approach electricity summary

Table 4

Electricity inventory items	kWh	Emissions (tonnes CO ₂ e)
Electricity Renewables	14,391	0.00
Electricity Carbon Neutral Power	0	0.00
Electricity Remaining	62,982	68.09
Renewable electricity percentage	19%	
<i>Net emissions (Market based approach)</i>		68.09

Location-based summary

Table 5

State/ Territory	Electricity Inventory items	kWh	Full Emission factor (Scope 2 +3)	Emissions (tonnes CO ₂ e)
WA	Electricity Renewables	-	-0.74	0.00
WA	Electricity Carbon Neutral Power	-	-0.74	0.00
WA	Netted off (exported on-site generation)	-	-0.69	0.00
WA	Electricity Total	77,373	0.74	57.256
	<i>Total net electricity emissions (Location based)</i>		<i>0.00</i>	57.256

4. CARBON OFFSETS

Offset purchasing strategy: in arrears

Offsets summary

Table 6

1. Total offsets required for this report				1,473					
2. Offsets retired in previous reports and used in this report				68					
3. Net offsets required for this report				1,405					
Project description	Eligible offset units type	Registry unit retired in	Date retired	Serial number (including hyperlink to registry transaction record)	Vintage	Quantity (tonnes CO ₂ -e)	Quantity used for previous report	Quantity to be banked for future years	Quantity to be used this report
Dachunhe Sanji 6MW Hydropower Project in Yunnan Province	VCUs	APX	27 Feb 2019	4941-205543083-205543927-VCU-028-MER-CN-1-166-01012014-31122014-0	2014	845	777	0	68
CECIC HKC Gansu Changma Wind Power project	VCUs	Verra	23 Dec 2020	7821-430270808-430272188-VCU-034-APX-CN-1-717-24092018-31122018-0 https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=122502	2018	1,381	0	0	1,381
CECIC HKC Gansu Changma Wind Power project	VCUs	Verra	24 Dec 2020	7821-430272189-430272212-VCU-034-APX-CN-1-717-24092018-31122018-0 https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=123797	2018	24	0	0	24
Total offsets retired this report and used in this report							1,473		
Total offsets retired this report and banked for future reports							0		

Co-benefits

CECIC HKC Gansu Changma Wind Power project

The purpose of the project is to generate electricity using wind power resources in the region and to deliver to the Northwest China Power Grid (NWPG) which is predominated by connected fossil fuel fired power plants. The project aims to generate a total of 431,949 MWh of clean electricity to the NWPG annually and has been estimated to reduce GHG emissions by 430,588 tCO₂-e annually. The wind farm provides a much-needed boost in electricity for the area. China's rapid economic growth has resulted in frequent power outages. A local source of clean electricity gives energy security to the region. It is also a source of employment and educational opportunities for the community.

5. USE OF TRADE MARK

Table 8

Description where trademark used	Logo type
Website	Certified organisation
Company Reports	Certified organisation

6. ADDITIONAL INFORMATION

N/A

APPENDIX 1

Excluded emissions

To be deemed relevant an emission must meet two of the five relevance criteria. Excluded emissions are detailed below against each of the five criteria.

Table 9

Relevance test					
Excluded emission sources	<i>The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions</i>	<i>The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.</i>	<i>Key stakeholders deem the emissions from a particular source are relevant.</i>	<i>The responsible entity has the potential to influence the reduction of emissions from a particular source.</i>	<i>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.</i>

N/A

APPENDIX 2

Non-quantified emissions for organisations

Please advise which of the reasons applies to each of your non-quantified emissions. You may add rows if required.

Table 10

Non-quantification test				
Relevant-non-quantified emission sources	<i>Immaterial <1% for individual items and no more than 5% collectively</i>	<i>Quantification is not cost effective relative to the size of the emission but uplift applied.</i>	<i>Data unavailable but uplift applied. A data management plan must be put in place to provide data within 5 years.</i>	<i>Initial emissions non-quantified but repairs and replacements quantified</i>
Refrigerants	Yes	No	No	No

Proof of credits retired in APX

Retired Credits

Printed Date: 16 of December 2020 00:13:11 GMT

From Vintage	To Vintage	Serial Number	Quantity of Credits	Credit Type	Project ID	Project Name	Project Type	Additional Issuance Certifications	Origination Program	Project Site State/Province	Project Country	Account Holder	Retirement Reason	Beneficial Owner	Retirement Reason Details	Date of Retirement
01/01/2014	31/12/2014	4941-205543083-205543927-VCU-028-MER-CN-1-166-01012014-31122014-0	845	VCU	166	Dachunhe Sanji 6MW Hydropower Project in Yunnan Province	Energy industries (renewable/non-renewable sources)			Yunnan Province	China (CN)	Pangolin Associates Pty Ltd	NCOS Programme	Pangolin	Retired on behalf of International Lubricant Distributors Pty Ltd for FY18/19	27/02/2019
15/11/2013	31/12/2013	4942-205558985-205559383-VCU-028-MER-CN-1-166-15112013-31122013-0	399	VCU	166	Dachunhe Sanji 6MW Hydropower Project in Yunnan Province	Energy industries (renewable/non-renewable sources)			Yunnan Province	China (CN)	Pangolin Associates Pty Ltd	NCOS Programme	Pangolin	Retired on behalf of International Lubricant Distributors Pty Ltd NCOS Emissions for FY17/18	07/12/2018
01/01/2009	31/12/2009	4772-196766431-196766896-VCU-008-APX-CN-1-945-01012009-31122009-0	466	VCU	945	Chongqing Youyang County Youchou Hydropower Project	Energy industries (renewable/non-renewable sources)			Chongqing City	China (CN)	Pangolin Associates Pty Ltd	Retirement for Person or Organization	Pangolin	Retired on behalf of International Lubricant Distributors Pty Ltd for FY17/18	08/01/2018