



PUBLIC DISCLOSURE STATEMENT


International Lubricant Distributors Pty Ltd

ORGANISATION CERTIFICATION
FY2021-22

Australian Government

Climate Active Public Disclosure Statement



NAME OF CERTIFIED ENTITY	International Lubricant Distributors Pty Ltd
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>Robert Boylan Chief Operations Officer / Director 10 August 2023</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	2,233 tCO ₂ -e
OFFSETS BOUGHT	100% VCUs
RENEWABLE ELECTRICITY	18.6%
TECHNICAL ASSESSMENT	<p>Date: 23/12/2020</p> <p>Name: Chris Wilson</p> <p>Organisation: Pangolin Associates</p> <p>Next technical assessment due: 2024</p>

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2. CARBON NEUTRAL INFORMATION

Description of certification

This inventory has been prepared for the financial year from 1 July 2021 to 30 June 2022 and covers the Australian operations of International Lubricant Distributors (ABN 79 139 276 887).

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. This includes the following locations and facilities:

- 21 Logistics Boulevard, Kenwick, WA 6107
- 16 Ocean Street, Kwinana 6167 WA
- Melbourne 3000 VIC – Employee working remotely
- 12 Octal Street, Yatala 4207 QLD

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.

“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 13 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 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](#).

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
<u>Quantified</u>	<u>Non-quantified</u>	<u>Excluded</u>
Accommodation and facilities Cleaning and Chemicals Climate Active Carbon Neutral Products and Services Construction Materials and Services Electricity Food ICT services and equipment Office equipment & supplies Postage, courier and freight Products Products, materials & equipment Professional Services Transport (Air) Transport (Land and Sea) Waste Water Working from home	Refrigerants	N/A

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

ILD has been on a long-term program to reduce its carbon footprint by significant, measurable amounts since our program began in FY2017. In that time, our company has almost tripled in sales growth. As such, our aim has been to measure our emissions reductions program on a “t CO₂-e per litre” basis rather than on an absolute basis. In other words, we measure how many t CO₂-e emissions emitted per litre sold.

ILD is in the unfortunate position of being heavily subject to the emissions created by our suppliers (scope 3 emissions). The ILD Emissions data shows that ILD itself accounts for less than 10% of the total emissions value for the business. We are particularly reliant on specialist logistics providers and freight carriers that alone account for 65% of the total emissions of ILD's operations. As such, some of the strategies implemented by ILD have small relative impact on the overall volume. However, as every tonne of CO₂-e matters. ILD continues to focus on our strategies and are recording success in bringing down our ration of t CO₂-e per liter sold. ILD will request carbon reduction program information from each of its suppliers i.e. the major contributors to our total emissions value, in order to find ways of cooperating to reduce the total emission created from our working partnership. Furthermore, ILD will continue to explore options to reduce scope 3 emissions throughout their supply chain.

Since FY2019-20, ILD has been measuring t CO₂-e emitted per litres sold and has showed an improvement of 38%. Much of this however, was due to ILD's move to a new, more environmentally sound location where we could introduce new equipment and techniques that had an immediate and dramatic impact on our emission. The size of this impact is a “one-off” for that recording year and future gains will be of a smaller scale. However, the ILD business plan anticipates growing at a continual year-on-year factor of 10% while reducing our t CO₂-e emission per litre by a stretch rate of 10% per litre. So, while our total business is expected to grow by 30%, our emissions will only grow by 16% in the period FY2020-2025. On this basis, ILD anticipates reaching a stretch target of 2,584t CO₂-e carbon in FY2025, up from 2,232t CO₂-e in FY 2019, but on the back of a 30% increase in litres sold.

Our ultimate aim is to reduce the carbon emissions footprint to only 10t CO₂-e per 100,000 liters sold by FY2027. This effectively being a drop of approximately 50% in emissions per litre sold since FY2021.

Emissions reduction actions

ILD has undertaken a major project to move all its operations in Western Australia onto a single site. The new Corporate Headquarters opened in April 2022 and is the most technically sophisticated, environmentally friendly facility of its kind in Australia.

The new HQ has been built in the prestigious [Logistics Park in Kenwick, Western Australia](#). The whole park has been designed and built to be environmentally friendly and carbon neutral. Some of the features of the new site include:

- Use of Envisia Low Carbon Concrete for the whole site
- Solar power for the whole site
- Specialist water treatment facilities on site for hydrocarbons
- Organic wastewater treatment for septic and grey water
- Purpose-built product handling facilities with spill management systems
- Investment in our own delivery fleet
- All new electric forklifts

The new site allows for significant operating efficiencies that will immediately translate into carbon reduction for the daily operations of the company. Areas where we anticipate seeing carbon reductions include:

- Reduced power costs and reduced carbon emissions from power usage.
- Reduced freight costs and reduced exhaust emissions.
- Increased production efficiencies leading to less carbon generation.

While the new site is central to our carbon reduction for the coming two years, we also intend to establish a smaller version of the Perth facility in Brisbane to better service the Queensland market. Those programs will come online over the next two years also. We anticipate this will further reduce our carbon footprint per unit sold.

The ILD business continues to grow at a rate of around 10% per year. However, our carbon footprint is almost stagnant despite the growth. This demonstrates our carbon efficiency is also improving through the range of programs above. This is a clear and measurable outcome for our business. We anticipate further reductions per unit of sales as we see the new efficiencies take hold.

Importantly, over the past year, the amount of t CO₂-e per unit of sales dropped from 19.7 tonnes per 100,000 liters sold in FY2021 down to 14.7 tonnes per 100,000 liters sold in FY2022. This represents a 26% reduction per liter YoY.

5.EMISSIONS SUMMARY

Emissions over time

Emissions since base year		Total tCO ₂ -e
Base year/Year 1:	FY 2016-17	473.3
Year 2:	FY 2017-18	864.2
Year 3:	FY 2018-19	777.0
Year 4:	FY 2019-20	1,472.2
Year 5:	FY 2020-21	2,773.4
Year 6:	FY 2021-22	2,232.3

Significant changes in emissions

ILD's business has grown rapidly over the past few years. Due to the nature of the business, our growth has meant the inevitable increase in our carbon footprint. ILD has introduced strategies to mitigate the subsequent growth in emissions, but there are some, such as freight and staff levels, that will grow as we increase the size of the company.

As noted above, the amount of carbon per unit of sales dropped from 19.7 tonnes per 100,000 liters sold down to 14.7 tonnes per 100,000 liters sold. This represents a 26% reduction per liter.

Emission source name	Current year (tCO ₂ -e)	Previous year (tCO ₂ -e)	Detailed reason for change
Electricity	121.4	37.8	Due to the nature of the business, however, we are now using Solar at our largest facility that counts for 80% of our total sales
Road Freight (rigid truck)	1,423.5	2,382.5	We now have our own delivery trucks that operate full loads for deliveries, thereby being far more efficient. As proposed in previous years, we are delivering more oil in bulk, thereby also reducing our freight costs/liter significantly.
Advertising services	167.3	41.2	This is an accounting issue based on payments to advertising suppliers. The actual amount per year has remained constant – or in fact slightly reduced – but payments were made in different months, thereby reflecting differently in our accounts.

Use of Climate Active carbon neutral products and services

This assessment and Climate Active submission was prepared with the assistance of [Pangolin Associates](#) and these services are also carbon neutral. ILD have also purchased carbon neutral Reflex paper in FY2023.

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 total emissions (tCO ₂ -e)
Accommodation and facilities	2.24
Cleaning and Chemicals	0.58
Climate Active Carbon Neutral Products and Services	0.00
Construction Materials and Services	4.99
Electricity	121.40
Food	50.59
ICT services and equipment	6.14
Office equipment & supplies	6.96
Postage, courier and freight	1,459.98
Products	0.63
Products, materials & equipment	21.96
Professional Services	339.59
Transport (Air)	59.58
Transport (Land and Sea)	122.84
Waste	18.47
Water	0.70
Working from home	0.05
Total	2,216.72

Uplift factors

An uplift factor is an upwards adjustment to the total carbon inventory to account for relevant emissions, which can't 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
Uplift to account for non-quantified sources where data collection is not cost effective	15.59
Total of all uplift factors	15.59
Total footprint to offset <i>(total net emissions from summary table + total uplifts)</i>	2,232.31

6. CARBON OFFSETS

Offsets retirement approach

In arrears		
1.	Total number of eligible offsets banked from last year's report	0
2.	Total emissions footprint to offset for this report	2,233
3.	Total eligible offsets required for this report	2,233
4.	Total eligible offsets purchased and retired for this report	2,333
5.	Total eligible offsets banked to use toward next year's report	0

Co-benefits

Hebei Haixing 49.5MW Wind Farm Project

Located on the seashore of Haixing County, Cangzhou City, Hebei Province in North China, the electricity delivered annually to North China Grid is over 114 GWh per year, displacing electricity with an emissions intensity of 1.0205 tCO₂e/ MWh. China's rapid economic growth in recent years has caused a serious shortage of electricity resulting in blackouts and brownouts throughout the country. These power outages reduce economic activity and negatively affect daily life. The project helps improve the grid's supply thereby contributing to steady and reliable economic growth in the region and provide employment opportunities throughout the life of the project.

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 (%)
Hebei Haixing 49.5MW Wind Farm Project	VCUs	Verra	08/05/2023	13446-503853062-503856294-VCS-VCU-279-VER-CN-1-414-26122019-25122020-0	2020	0	2,233	0	0	2,233	100%
Total offsets retired this report and used in this report											2,233
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						
Verified Carbon Units (VCUs)		2,233			100%						

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) summary

N/A

APPENDIX A: ADDITIONAL INFORMATION

N/A

APPENDIX B: ELECTRICITY SUMMARY

Electricity emissions are calculated using a market-based approach

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.

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	61	0	0%
Total non-grid electricity	61	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)	27,863	0	19%
Residual Electricity	122,017	121,402	0%
Total grid electricity	149,879	121,402	19%
Total Electricity Consumed (grid + non grid)	149,940	121,402	19%
Electricity renewables	27,924	0	
Residual Electricity	122,017	121,402	
Exported on-site generated electricity	0	0	
Emissions (kgCO ₂ e)		121,402	
Total renewables (grid and non-grid)	18.62%		
Mandatory	18.58%		
Voluntary	0.00%		
Behind the meter	0.04%		
Residual Electricity Emission Footprint (TCO₂e)	121		
<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 (kgCO ₂ e)	Scope 3 Emissions (kgCO ₂ e)
ACT	0	0	0
NSW	0	0	0
SA	0	0	0
VIC	0	0	0
QLD	14,014	11,211	1,682
NT	0	0	0
WA	135,865	91,030	1,359
TAS	0	0	0
Grid electricity (scope 2 and 3)	149,879	102,241	3,040
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	61	0	0
TAS	0	0	0
Non-grid electricity (Behind the meter)	61	0	0
Total Electricity Consumed	149,940	102,241	3,040
Emission Footprint (tCO₂e)	105		
<i>Scope 2 Emissions (tCO₂e)</i>	102		
<i>Scope 3 Emissions (tCO₂e)</i>	3		

Climate Active Carbon Neutral Electricity summary

Carbon Neutral electricity offset by Climate Active Product	Activity Data (kWh)	Emissions (kgCO ₂ e)
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

Non-quantified emission sources

The following sources emissions have been assessed as relevant, are captured within the emissions boundary, but are not measured (quantified) in the carbon inventory. These emissions are accounted for through an uplift factor. 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	(1) Immaterial	(2) Cost effective (but uplift applied)	(3) Data unavailable (but uplift applied & data plan in place)	(4) Maintenance
Refrigerant	No	Yes (uplift applied)	No	No

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 sources tested for relevance	(1) Size	(2) Influence	(3) Risk	(4) Stakeholders	(5) Outsourcing	Included in boundary?
N/A						



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