




PUBLIC DISCLOSURE STATEMENT

**INTERNATIONAL LUBRICANT
DISTRIBUTORS PTY LTD**

**ORGANISATION CERTIFICATION
FY2022-23**

Australian Government
Climate Active
Public Disclosure Statement



NAME OF CERTIFIED ENTITY	International Lubricant Distributors Pty Ltd
REPORTING PERIOD	1 July 2022 – 30 June 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></p> <p>Robert Boylan, Chief Operations Officer</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	1,473 tCO ₂ -e
CARBON OFFSETS USED	100% VCUs
RENEWABLE ELECTRICITY	41.15%
CARBON ACCOUNT	Prepared by: Pangolin Associates
TECHNICAL ASSESSMENT	29 January 2024 for FY2022-23 report Name: Josh Prado Organisation: Pangolin Associates Next technical assessment due: FY2025-26 report

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2.CERTIFICATION INFORMATION

Description of certification

This inventory has been prepared for the financial year from 1 July 2022 to 30 June 2023 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

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.

The emissions associated with upstream manufacturing of lubricants and greases, and their freight import to Australia, are excluded from this certification.

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.

Organisation description

International Lubricant Distributors is the exclusive distributor of Sinopec Premium Lubricants in Australia. Over the past 15 years, the partnership between ILD and Sinopec has made a significant impact on Australia's lubricant industry. ILD is now one of the leading suppliers of lubricants to the Australian Mining Sector, and is steadily growing on other markets across the country.

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.

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'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.

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 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
- Cleaning and chemicals
- Electricity
- Food
- ICT services and equipment
- Office equipment and supplies
- Postage, courier and freight
- Products
- Professional services
- Stationary energy (liquid fuels)
- Transport (air)
- Transport (land and sea)
- Waste
- Water
- Working from home

Non-quantified

Refrigerants

Outside emission boundary

Excluded

Manufacturing of lubricants and greases

Freight import of lubricants and greases

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. Since that time, our company has more than tripled in sales growth. As such, our aim has been to measure our emissions reductions program on a “tCO₂-e per litre” basis rather than on an absolute basis. In other words, we measure how many tCO₂-e emissions emitted per litre sold.

ILD itself only creates a fraction of its total emissions. And we have seen a significant decline in the amount of emissions we create ourselves over the past year, due to some innovations at our new site. This includes the use of solar electricity, operating our own delivery vehicles and transitioning some of our largest customer sites onto bulk deliveries, rather than packaged goods.

However, ILD remains reliant on specialist logistics providers and freight carriers that account for the vast bulk of total emissions. We are working with our providers to optimise loads, consolidate freight and move toward bulk deliveries in an effort to reduce the number of trips taken to deliver a greater amount of product.

ILD continues to focus on our strategies and are recording success in bringing down our ratio of tCO₂-e per litre sold. Furthermore, ILD will continue to explore options to reduce scope 3 emissions throughout their supply chain.

In the past year, ILD has reduced its carbon-per-litre output by almost 36%. This is a continued improvement over the past four years where from FY2019-20, ILD has been measuring tCO₂-e emitted per litres sold and has showed an improvement of 26%.

Much of this reduction was due to ILD’s move to a new location. With a focus onsite sustainable practices and efficiencies, ILD have been able to introduce new equipment and techniques that had an immediate and dramatic impact on our emission. FY2022-23 was the first full year in this new facility and anticipate future gains will be of a smaller scale.

Furthermore, the ILD business plan anticipates growing at a fast year-on-year pace while reducing our CO₂-e emissions by a stretch rate of 10% per litre.

In fact, in FY2020-21, ILD set itself a stretch target of reducing total carbon emissions on a gross basis to below 2,584 tCO₂-e carbon in FY2025-26, which would bring the per-litre rate back below the per litre rate from FY2019-20 of 0.12 tonnes of carbon per 1,000 litres of lubricants sold.

Our ultimate aim is to reduce and maintain the carbon emissions footprint below 0.10 tCO₂-e per 1,000 litres sold by FY2026-27, resulting a from peak emissions in FY2020-21 back to the rate we achieved in FY2017-18. We remain committed to this target.

Emissions reduction actions

FY2023 was the first year where ILD realised the emissions reductions from our new flagship premises in Perth. The new site offers a range of emissions reduction strategies including:

- Low Carbon Concrete used across the site.
- Solar Power to operate the new site.
- Electric Forklifts replacing gas and diesel.
- Consolidated warehousing – reducing the amount of energy required to keep the same amount of stock.
- Consolidated freight – allowing for full loads thereby reducing the emissions per litre when delivering product.
- New Bulk Lubricant Terminal – lower cost storage per litre, less packaging and more efficient delivery per litre of product to customers.
- More efficient use of equipment and staff.

These actions were introduced in the FY2021-22 accounting period but hit their full potential in FY2022-23 where ILD saw its largest reduction in emissions for the past 5 years. Going forward, ILD will continue to leverage the opportunities presented by running a more efficient business and by moving its second-largest operations (Brisbane) to a new site where better emissions efficiencies can be gained.

ILD does however face new challenges. For example, ILD is anticipating the commencement of a new major customer that has potential to operate on bulk lubricants due to the nature of their business i.e. a lot of small machines over a disparate area, rather than a concentrated operation in a single location.

Additionally, the growth of our ecommerce site will create a range of new customers that will purchase in small packs, thereby increasing the number of small deliveries. These types of customers increase ILD's emissions per litre but still service a need in the community.

5.EMISSIONS SUMMARY

Emissions over time

		Emissions since base year	
		Total tCO ₂ -e (without uplift)	tCO ₂ -e per 1,000 L sold
Base year/Year1:	2016–17	473.29	0.08
Year 2:	2017–18	864.25	0.11
Year 3:	2018–19	776.97	0.08
Year 4:	2019–20	1,472.17	0.12
Year 5:	2020–21	2,773.44	0.20
Year 6:	2021–22	2,216.72	0.14
Year 7:	2022–23	1,464.51	0.09

Significant changes in emissions

As noted above, ILD is reaping the benefits of moving its largest operation to a much more efficient premises in Perth. This operation accounts for around 80% of sales and output for the company, so improvements here make a significant impact on the overall result.

FY 2023 is the first full year of being on the new site, and we have been able to optimise the efficiencies. We do not expect such significant gains in future years as there are fewer clear opportunities for emissions reductions, but our ongoing programs should continue to deliver better emission-per-litre results in coming years.

Emission source	Previous year emissions (t CO ₂ -e)	Current year emissions (t CO ₂ -e)	Reason for change
Road freight (rigid truck)	1,423.505	329.078	Improved operational efficiency

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

Certified brand name	Product used
Pangolin Associates	Consulting services

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 (t CO ₂ -e)
Accommodation and facilities	0.00	0.00	6.58	6.58
Cleaning and chemicals	0.00	0.00	1.22	1.22
Climate Active carbon neutral products and services	0.00	0.00	0.00	0.00
Construction Materials and Services	0.00	0.00	2.14	2.14
Electricity	0.00	73.81	9.77	83.58
Food	0.00	0.00	43.44	43.44
ICT services and equipment	0.00	0.00	28.33	28.33
Office equipment and supplies	0.00	0.00	7.14	7.14
Postage, courier and freight	0.00	0.00	808.22	808.22
Products	0.00	0.00	48.39	48.39
Professional services	0.00	0.00	64.70	64.70
Refrigerants	0.00	0.00	0.00	0.00
Stationary energy (liquid fuels)	5.83	0.00	1.44	7.27
Transport (air)	0.00	0.00	151.79	151.79
Transport (land and sea)	127.08	0.00	79.40	206.48
Waste	0.00	0.00	0.27	0.27
Water	0.00	0.00	4.29	4.29
Working from home	0.00	0.00	0.67	0.67
Total emissions	132.91	73.81	1,257.79	1,464.51

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
Uplift to account for non-quantified sources where data collection is not cost effective (Refrigerants)	8.19
Total of all uplift factors	8.19
Total emissions footprint to offset <i>(total emissions from summary table + total of all uplift factors)</i>	1,472.70

6. CARBON OFFSETS

Offsets retirement approach

This certification has taken an in-arrears offsetting approach. The total emissions to offset are 1,473 tCO₂-e. The total number of eligible offsets used in this report is 1,473. Of the total eligible offsets used, 0 were previously banked and 1,473 were newly purchased and retired. 0 are remaining and have been banked for future use.

Co-benefits

Jiangxi Province Le'an County Forest Farm Carbon Sink Project

The Project involves the improved forestry management, such as conversion of logged to protection forest whose carbon credit rights owned by Beijing Shengdahuitong Carbon Management Co., Ltd. The forestry management conversion includes 7,746.7ha logged to Protected Forest. The project activity will contribute to the environment (biodiversity conservation and soil erosion control), thus contribute to sustainable development.

Eligible offsets retirement summary

Type of offset units	Eligible quantity (used for this reporting period)	Percentage of total
Verified Carbon Units (VCUs)	1,473	100%

Offsets retired for Climate Active certification											
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 (%)
Jiangxi Province Le'an County Forest Farm Carbon Sink Project	VCUs	VERRA	25/01/2024	9740-129035115-129036587-VCS-VCU-279-VER-CN-14-1162-01012016-31122016-0	2016	-	1,473	0	0	1,473	100%
Total eligible offsets retired and used for this report										1,473	
Total eligible offsets retired this report and banked for use in future reports									0		



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 market-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	40,938	0	28%
Total non-grid electricity	40,938	0	28%
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)	20,263	0	14%
Residual Electricity	87,520	83,581	0%
Total renewable electricity (grid + non grid)	61,201	0	41%
Total grid electricity	107,783	83,581	14%
Total electricity (grid + non grid)	148,721	83,581	41%
Percentage of residual electricity consumption under operational control	100%		
Residual electricity consumption under operational control	87,520	83,581	
Scope 2	77,290	73,812	
Scope 3 (includes T&D emissions from consumption under operational control)	10,230	9,769	
Residual electricity consumption not under operational control	0	0	
Scope 3	0	0	

Total renewables (grid and non-grid)	41.15%
Mandatory	13.62%
Voluntary	0.00%
Behind the meter	27.53%
Residual scope 2 emissions (t CO₂-e)	73.81
Residual scope 3 emissions (t CO₂-e)	9.77
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO₂-e)	73.81
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO₂-e)	9.77
Total emissions liability (t CO₂-e)	83.58
<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) total	Under operational control			Not under operational control	
Percentage of grid electricity consumption under operational control	100%	(kWh)	Scope 2 Emissions (kgCO ₂ -e)	Scope 3 Emissions (kgCO ₂ -e)	(kWh)	Scope 3 Emissions (kgCO ₂ -e)
QLD	23,240	23,240	16,965	3,486	0	0
WA	84,543	84,543	43,117	3,382	0	0
Grid electricity (scope 2 and 3)	107,783	107,783	60,082	6,868	0	0
QLD	0	0	0	0		
WA	40,938	40,938	0	0		
Non-grid electricity (behind the meter)	40,938	40,938	0	0		
Total electricity (grid + non grid)	148,721					

Residual scope 2 emissions (t CO₂-e)	60.08
Residual scope 3 emissions (t CO₂-e)	6.87
Scope 2 emissions liability (adjusted for already offset carbon neutral electricity) (t CO₂-e)	60.08
Scope 3 emissions liability (adjusted for already offset carbon neutral electricity) (t CO₂-e)	6.87
Total emissions liability	66.95

Operations in Climate Active buildings and precincts

Operations in Climate Active buildings and precincts	Electricity consumed in Climate Active certified building/precinct (kWh)	Emissions (kg CO ₂ -e)
N/A.	N/A.	N/A.
Climate Active carbon neutral electricity is not renewable electricity. These electricity emissions have been offset by another Climate Active member through their building or precinct certification. This electricity consumption is also included in the market based and location based summary tables. Any electricity that has been sourced as renewable electricity by the building/precinct under the market based method is outlined as such in the market based summary table.		

Climate Active carbon neutral electricity products

Climate Active carbon neutral product used	Electricity claimed from Climate Active electricity products (kWh)	Emissions (kg CO ₂ -e)
N/A.	N/A.	N/A.
Climate Active carbon neutral electricity is not renewable electricity. These electricity emissions have been offset by another Climate Active member through their electricity product certification. This electricity consumption is also included in the market based and location-based summary tables. Any electricity that has been sourced as renewable electricity by the electricity product under the market-based method is outlined as such in the market-based summary table.		

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
Refrigerants	Not cost effective but uplift applied.

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, 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
Manufacturing of lubricants and greases	No	No	Yes	No	No	ILD does not have operation control over the manufacturing lubricants and greases. Therefore, this activity is not within ILD's operational boundary.
Freight import of lubricants and greases.	No	No	Yes	No	No	ILD does not have operation control over the transportation of lubricants and greases to Australia. Therefore, this activity is not within ILD's operational boundary. However, ILD have defined its operational boundary and included freight activity from the port/distribution.



An Australian Government Initiative

