PUBLIC DISCLOSURE STATEMENT

Smartways Logistics

SERVICE CERTIFICATION

FY2021-22

Australian Government

Climate Active
Public Disclosure Statement

An Australian Government Initiative

NAME OF CERTIFIED ENTITY	*Smartways Logistics Holdings Pty Ltd* (trading as Smartways Logistics)
REPORTING PERIOD	Financial year 1 July 2021 – 30 June 2022 [Arrears report]
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.* Allan Bonifacio Executive Manager 27 December 2022

Australian Government
Department of Climate Change, Energy, the Environment and Water

Version March 2022.

1. CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	6,649 tCO2-e
THE OFFSETS BOUGHT	2% VERs, 6% ACCUs, 25% VCUs, 68% CERs
RENEWABLE ELECTRICITY	N/A
TECHNICAL ASSESSMENT	N/A

Contents

2. CARBON NEUTRAL INFORMATION

Description of certification

All operations of Smartways Logistics Holdings Pty Ltd (ABN 25 169 615 525) in Australia and New Zealand. This includes the emissions associated with all delivery services in Australia and New Zealand, covering all transport services and warehouse services provided. Smartways' corporate emissions will also be covered.

Smartways has two certification types under the Climate Active Carbon Neutral Standard – an organisation certification and a service certification. This PDS relates to Smartways' service certification and associated emissions activities. Please refer to the Emissions Boundary section for included emissions activities in this service certification. Note that in relation to Smartways' organisational certification, the service emissions footprint is large (approximately 95% of the total combined organisation and service emissions footprint).

Product/Service description

The reference unit for the service certification is tonne.km of goods deliveries across Australia and New Zealand. This is an average of all transport modes, and it is full coverage of the services provides

This is a cradle-to-grave approach.

"Achieving total Organisation and Service carbon neutrality is considered mission critical to Smartways and an inclusive rather than 'Opt-In' solution was important to us. Being a logistics company, we are conscious of the emissions associated with our activities. We only service clients in the healthcare sector – a sector committed to improving the health of living beings – and as such we are committed to offering a logistics solution that allows the healthcare ecosystem to balance out the carbon footprint of healthcare freight and logistics."

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 'attributable processes' that become the product, make the product and carry the product through its life cycle. These have been quantified in the carbon inventory.

Non-quantified emissions have been assessed as attributable 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

Non-attributable emissions have been assessed as not attributable to a product or service. They can be **optionally included** in the emissions boundary and therefore have been offset, or they can be listed as outside of the emissions boundary (and are therefore not part of the carbon neutral claim). Further detail is available at Appendix D.

Inside emissions boundary

Quantified

Advertising

Air freight

Packaging

Truck freight

Uniforms

Van freight

*Business travel (accommodation and flights)**

*Cleaning and waste**

*Electricity**

*Employee commute**

*Food**

*IT services and equipment**

*Office equipment & supplies**

*Telephone**

*Waste**

*Water**

*Website, internet and hosting**

*Working from home**

Taxis*

* these emissions were accounted for in the Organisation's certification

Non-quantified

n/a

Outside emission boundary

Non-attributable

Rent

Consultancy services

Equipment rental

Insurance

Legal fees

Subscriptions / memberships

Training and seminars

Service process diagram

Upstream emissions

Service delivery

Corporate Operations

- Advertising
- Packaging
- Uniforms
- *Business travel (accommodation and flights)**
- *Cleaning and waste**
- *Electricity**
- *Employee commute**
- *Food**
- *IT services and equipment**
- *Office equipment & supplies**
- *Telephone**
- *Waste**
- *Water**
- *Website, internet and hosting**
- *Working from home**
- Taxis*

*these emissions were accounted for in the Organisation certification

Downstream emissions

Delivery Services

- Air freight (fuel)
- Road freight (fuel) (Truck and Van)

Excluded emission sources

n/a

Non-attributable emission sources

Rent

Consultancy services

Equipment rental

Insurance

Legal fees

Subscriptions / memberships

Training and seminars

Data management plan for non-quantified sources

There are no non-quantified sources in the emission boundary, so no data management plan is required.

4. EMISSIONS REDUCTIONS

Emissions reduction strategy

Smartways has been working to create an effective plan to reduce greenhouse gas emissions from their business operations to reduce their overall environmental footprint. The targets related to reducing of emissions will address its primary sources of emissions: the Transport and Distribution category.

Target S1 Increase the fleet share of LPG, electric and hybrid vehicles to 10% by 2027

Actions:

- Develop a plan to engage and support subcontracted owner-drivers in transitioning to electric and hybrid vehicles.
- Allocate a budget to support the shift.
- Establish a training and education program for staff members on how to account for the range restrictions of electric vehicles in logistics operations.

Target S2: Increase the average load size by 10% by 2027.

Actions:

- Improve route optimisation and loading software to identify the most efficient routes for delivery and transportation, including maximising additional stops along each journey and minimising the distance that empty vehicles travel.

Target S3: Pilot a driver education program to 20 drivers by Dec 2023

- Develop an education program that trains drivers to be more mindful of their fuel consumption, including providing information on fuel-saving driving techniques and best-practice maintenance of their vehicles.
- Pilot the program to drivers by Dec 2023 and use the results to assess its effectiveness and appropriateness.

Emissions reduction actions

Actions undertaken in FY21-22 include:

- Prepared a financial impact study of supporting the transition to electric/hybrid
- Engage with the Smartways board to approve the purchase of the first electric car in the first half of 2023.

As a specialised medical logistics provider, Smartways has been focused almost solely on service provision for FY21-22 and is looking forward to FY22-23 and onwards to re-focus on sustainability.

.

5.EMISSIONS SUMMARY

Emissions over time

Emissions since base year			
		Total tCO_2-e	Emissions intensity of the functional unit
Base year/Year 1:	2020-21	5,589	0.95303 kg CO2-e per tonne.km
Year 2:	2021–22	6,649	1.12036 kg CO2-e per tonne.km

Significant changes in emissions

The observed changes between the years can mainly be attributed to both the post-COVID and the company's growth.

Emission source	Current year (tCO2-e)	Previous year (tCO2-e)	Detailed reason for change
Freight-Land (Bespoke): Van	928.08	1,399.44	Van travel has experienced a decline as a result of an increase in air deliveries.
Freight flights (Bespoke), short (400 km to 3,700 km); tonne.km	303.36	277.54	The COVID-19 pandemic has led to a surge in urgent air deliveries through increased freight flights.
Freight-Land (Bespoke): Truck	5,342.04	3,872.84	The increased truck emissions can be attributed to the organic growth of the company.

Use of Climate Active carbon neutral products and services

Certified brand name	Product or Service used
N/A	N/A

Service emissions summary

The Electricity Summary is available in the Smartways FY22-23 Organisation Product Disclosure Statement (PDS) since it is a shared emission source.

Emission category	Sum of Scope 1 (t CO2-e)	Sum of Scope 2 (t CO2-e)	Sum of Scope 3 (t CO2-e)	Sum of Total Emissions (t CO2-e)
Freight-Flights (Bespoke)	4861.26	0.00	532.30	5393.57
Freight-Land (Bespoke)	990.11	0.00	241.34	1231.44
Professional Services	0.00	0.00	13.57	13.57
Products	0.00	0.00	10.62	10.62
Grand Total	**5,851.37**	**0.00**	**797.83**	**6,649.20**

Emissions intensity per functional unit	1.12036 kg CO2-e per tonne.km
Number of functional units to be offset	5,934,881 tonne.km of goods delivered by Smartways in Australia and New Zealand)
Total emissions to be offset	6,649 t CO2-e

6. CARBON OFFSETS

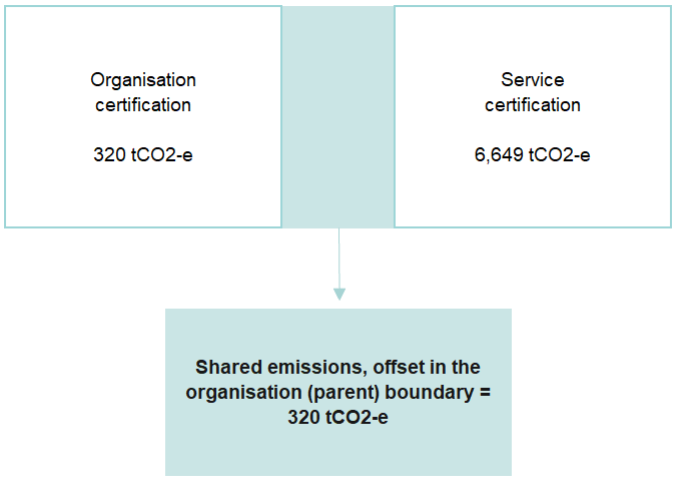
Offsets retirement approach

In arrears		
1.	Total number of eligible offsets banked from last year's report*	67
2.	Total emissions footprint to offset for this report	6649
3.	Total eligible offsets required for this report	6649
4.	Total eligible offsets purchased and retired for this report	6972
5.	Total eligible offsets banked to use toward next year's report	323

*FY20-21 (True-up) Service certification

Shared emissions between certifications by the same responsible entity

	Emissions (tCO_2-e)
Total offset liability	6,969 tCO_2-e
Offset by organisation	320 tCO_2-e
Offset by service	6,649 tCO_2-e



Co-benefits

Smartways has been looking for a balance of carbon offset projects that match our operations, values and stakeholders. We are proud to be supporting carbon farming projects in Australia to help regenerate and protect native vegetation, as well as fire management in Arnhem Land. We are also investing in renewable energy in India, Turkey, and China, hydropower in Vietnam, and rainforest protection in South America. All of these projects are not only reducing carbon emissions but also providing a range of additional benefits that we have outlined below.

EXTRAORDINARY IMPACT

OFFSET PROJECT CATEGORY OVERVIEW

Over the past 20 years demand for electricity in Vietnam has grown significantly, averaging 12.4% growth per annum. During this time period, fossil fuels have been responsible for the majority of new production with average annual growth of 15.1%. This has grown the percentage of generation from fossil fuel sources from 44% in 2000 to 69% in 2020.

Hydropower stations in Vietnam displace some of this growth in fossil-fuel power plants by generating power using dams and diversion structures to alter the flow of a river or other body of water. This alternative source of electricity generates power (hydroelectricity) by passing water through turbines. As these turbines spin they convert motion into electricity energy. The use of hydroelectricity reduces the dependence on resource intensive coal and gas fired power plants.

blue halo

EXTRAORDINARY IMPACT

OFFSET PROJECT CATEGORY OVERVIEW

Located in New South Wales and Queensland, these carbon farming projects work with landholders to regenerate and protect native vegetation. The projects help improve marginal land, reduce salinity and erosion and provide income to farmers. Widespread land clearing has significantly impacted local ecosystems. This degradation and loss of plant species threatens the food and habitat on which other native species rely. Clearing allows weeds and invasive animals to spread and affects greenhouse gas emissions.

The project areas can harbour a number of indigenous plant species which provide important habitat and nutrients for native wildlife. By erecting fencing and actively managing invasive species, these projects avoid emissions caused by clearing and achieve key environmental and biodiversity benefits.

The projects meet the following Sustainable Development Goals

blue halo

Climate Active

EXTRAORDINARY IMPACT

OFFSET PROJECT CATEGORY OVERVIEW

Arnhem Land in the Northern Territory is prone to extreme, devastating wildfires that affect the landscape, people, plants and animals. These projects are owned exclusively by Aboriginal people with custodial responsibility for those parts of Arnhem Land under active bushfire management. Local rangers conduct controlled burns early in the dry season to reduce fuel on the ground and establish a mosaic of natural firebreaks, preventing bigger, hotter and uncontrolled wildfires later in the season.

The projects provide employment and training opportunities for local rangers while supporting Aboriginal people in returning to, remaining on and managing their country. Communities are supported in the preservation and transfer of knowledge, the maintenance of Aboriginal languages and the wellbeing of traditional custodians.

The projects meet the following Sustainable Development Goals

blue halo

EXTRAORDINARY IMPACT

OFFSET PROJECT CATEGORY OVERVIEW

Across India, wind farms introduce clean energy to the grid which would otherwise be generated by coal-fired power stations. Wind power is clean in two ways: it produces no emissions and also avoids the local air pollutants associated with fossil fuels. Electricity availability in the regions have been improved, reducing the occurrence of blackouts across the area.

The projects support national energy security and strengthen rural electrification coverage. In constructing the turbines new roads were built, improving accessibility for locals. The boost in local employment by people engaged as engineers, maintenance technicians, 24-hour on-site operators and security guards also boosts local economies and village services.

The projects meet the following Sustainable Development Goals

blue halo

EXTRAORDINARY IMPACT

OFFSET PROJECT CATEGORY OVERVIEW

Projects across South America, Oceania and Africa protect millions of hectares of native forests which secure wildlife habitat and support local communities. For example, projects across Peru protect large, in-tact expanse of rainforest that would otherwise be cleared, preventing the release of millions of tonnes of greenhouse gas emissions each year. Protecting the forests secures the carbon stored within the organic matter.

These projects diversify landholder income and put a value on retaining the forests by supporting sustainable agroforestry including cocoa and coffee production. In addition to reducing emissions, protecting rainforests secures vital habitat for millions of endemic and endangered rainforest species of animals and plants.

The projects meet the following Sustainable Development Goals

blue halo

EXTRAORDINARY IMPACT

OFFSET PROJECT CATEGORY OVERVIEW

Demand for electricity in Turkey is growing this wind farm project supplies the national grid with zero emission energy generated by the wind resources of the Gokçedag Mountains of Osmaniye province in southeast Turkey.

In addition to reducing greenhouse gas emissions by displacing energy from thermal power plants, the project has also created employment opportunities in the area.

These project help to secure supplies for rural communities and works with locals to identify infrastructure needs in order to improve connectivity and community facilities.

The projects meet the following Sustainable Development Goals

blue halo

Climate Active

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 (%)**
Khe Bo Hydropower Project	CERs	ANREU	24/01/2023	20,785,838 - 20,786,107	CP2		270	257*	0	13	0.20%
Quimby Forest Regeneration Project	KACCUs	ANREU	24/01/2023	8,323,959,159 - 8,323,959,172	2021		14	0	0	14	0.21%
National Bio Energy Tongliao Biomass Power Plant	VER	Gold Standard	19/12/2022	GS1-1-CN-GS2502-9-2017-6569- 39046 39085	2017		40	0	0	40	0.60%
Khe Bo Hydropower Project	CERs	ANREU	27/01/2023	20,786,108 - 20,787,845	CP2		1738	320^	0	1418	21.33%
Quimby Forest Regeneration Project	KACCUs	ANREU	27/01/2023	8,323,959,173 - 8,323,959,263	2020-21		91	0	0	91	1.37%
Quimby Forest Regeneration Project	KACCUs	ANREU	20/12/2022	8,323,958,988 - 8,323,959,067	2020-21		80	0	0	80	1.20%
Khe Bo Hydropower Project	CERs	ANREU	20/12/2022	20,782,689 - 20,784,200	CP2		1512	0	0	1512	22.74%
West Arnhem Land Fire Abatement (WALFA) Project	ACCUs	ANREU	19/12/2022	8,343,726,571 - 8,343,726,668	2021-22		98	0	0	98	1.47%
150 MW grid connected Wind Power based electricity generation project in Gujarat, India	VCUs	VERRA	19/12/2022	9085-VCS-VCU-1491-VER-IN-1-292-01012017- 66489920 66491296 31122017-0	2017		1377	0	0	1377	20.71%
Cordillera Azul National Park REDD Project	VCU	VERRA	19/12/2022	10141-187336215-187336470-VCS-VCU-263-VER-PE-14-985-08082014-07082015-1	2015		256	0	0	256	3.85%

Khe Bo Hydropower Project	CERs	ANREU	19/12/2022	20,782,591 - 20,782,688	CP2	98	0	0	98	1.47%
Sah Wind Power Project	VER	Gold Standard	19/12/2022	GS1-1-TR-GS905-12-2016-6849-17584-17671	2016	88	0	0	88	1.32%
Sah Wind Power Project	VER	Gold Standard	19/12/2022	GS1-1-TR-GS905-12-2016-6849-17 574-17583	2016	10	0	0	10	0.15%
Quimby Forest Regeneration Project	KACCUs	ANREU	24/01/2023	8,323,959,073 - 8,323,959,158	2020-21	86	0	0	86	1.29%
Khe Bo Hydropower Project	CERs	ANREU	27/01/2023	20,787,846 - 20,787,991	CP2	146	0	0	146	2.20%
Quimby Forest Regeneration Project	KACCUs	ANREU	27/01/2023	8,323,959,264 - 8,323,959,271	2020-21	8	0	0	8	0.12%
Khe Bo Hydropower Project	CERs	ANREU	24/01/2023	20,784,201 - 20,785,837	CP2	1637	0	323	1314	19.76%
								Total offsets retired this report and used in this report	6649	
								Total offsets retired this report and banked for future reports	323	

**note that this is the quantity used in the FY21 service certification (true-up).*

^note that this is the quantity used in the FY22 Organisation certification

Type of offset units	Quantity (used for this reporting period claim)	Percentage of total
Certified Emissions Reductions (CERs)	4,501	68%
Verified Carbon Units (VCUs)	1,633	25%
Australian Carbon Credit Units (ACCUs)	377	6%
Verified Emissions Reductions (VERs)	138	2%

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) Summary

N/A

APPENDIX A: USE OF TRADE MARK

Description where trademark used	Logo type
Website	Certified service
Corporate documents and marketing material	Certified service
Freight labels	Certified service
Emails	Certified service
Mail	Certified service

APPENDIX B: ELECTRICITY SUMMARY

The Electricity Summary is available in the Smartways FY22-23 Organisation Product Disclosure Statement (PDS) since it is a shared emission source.

APPENDIX C: INSIDE EMISSIONS BOUNDARY

Non-quantified emission sources

The following sources emissions have been assessed as attributable, 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
N/A	N/A	N/A	N/A	N/A

Excluded emission sources

Attributable emissions sources can be excluded from the carbon inventory, but still considered as part of the emissions boundary if they meet **all three of the below criteria**. An uplift factor may not necessarily be applied.

1. A data gap exists because primary or secondary data cannot be collected **(no actual data).**
2. Extrapolated and proxy data cannot be determined to fill the data gap (**no projected data**).
3. An estimation determines the emissions from the process to be **immaterial**).

There are no emissions sources that were excluded from the carbon inventory for Services

APPENDIX D: OUTSIDE EMISSION BOUNDARY

Non-attributable emissions have been assessed as not attributable to a product or service (do not carry, make or become the product/service) and are therefore not part of the carbon neutral claim. To be deemed attributable, an emission must meet two of the five relevance criteria. Emissions which only meet one condition of the relevance test can be assessed as non-attributable and therefore are outside the carbon neutral claim. Non-attributable emissions are detailed below.

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?
Rent	No	No	No	No	No	No
Consultancy Fees	No	No	No	No	No	No
Equipment Rental	No	No	No	No	No	No
Insurance	No	No	No	No	No	No
Legal Fees	No	No	No	No	No	No
Subscription / Membership	No	No	No	No	No	No
Training & Seminars	No	No	No	No	No	No

An Australian Government Initiative

Climate Active