PUBLIC DISCLOSURE STATEMENT

ZILCH FORWARDING PTY LTD

SERVICE CERTIFICATION
CY2022

Australian Government

Climate Active
Public Disclosure Statement

An Australian Government Initiative

NAME OF CERTIFIED ENTITY	Zilch Forwarding Pty Ltd
REPORTING PERIOD	Calendar year 1 January 2022 – 31 December 2023 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.
	Michael Blake CEO

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

Version: August 2023

1.CERTIFICATION SUMMARY

TOTAL EMISSIONS OFFSET	172 tCO_2-e (186 tCO_2-e including organisation)
THE OFFSETS USED	100% VCUs
RENEWABLE ELECTRICITY	N/A
CARBON ACCOUNT	Prepared by: EnergyLink Services
TECHNICAL ASSESSMENT	Date 08/06/2021 Organisation EnergyLink Services Next technical assessment due: CY 2024

Contents

2. CARBON NEUTRAL INFORMATION

Description of certification

This certification covers the freight forwarding services provided by Zilch Forwarding Pty Ltd, ABN 69 652 189 412. The service offered by Zilch Forwarding, subject of this carbon neutral service certification, is the facilitation of transportation of goods on behalf of customers (known as freight forwarding).

Service description

Zilch Forwarding is a global freight forwarding business that facilitates global freight moved via freight mediums of marine, air, road, and rail transportation, coupled with measurement and management of the related emissions.

Globally, freight transportation is almost exclusively powered by fossil fuels, making up roughly 11% of global greenhouse gas emissions and demand for freight is expected to triple by 2050 compared to 2015 according to the International Transport Forum (ITF), fueled by global supply chains, burgeoning economies in the developing world, and a rise in e-commerce activities. Over the same period, the world will see a doubling in freight transport GHG emissions if we proceed with business as usual.

Responding to this growing calamity, Zilch Forwarding brings together international supply chain expertise coupled with deep capabilities to track and manage emissions at a shipment level. Zilch Forwarding integrates its advanced carbon emission measurement with active management and carbon offsetting into a tailored freight forwarding service.

One of the key focusses of Zilch is to firstly accurately calculate the emissions of shipments, to then provide guidance on emissions reductions strategies.

The freight forwarding service is full coverage, cradle to grave, and the functional unit of this certification is weighted average emissions per one tonne.km (kgCO2e/tkm) of freight that has been managed by Zilch Forwarding.

This is a full coverage service that applies to all Zilch Forwarding customers for this reporting period.

3.EMISSIONS BOUNDARY

Inside the emissions boundary

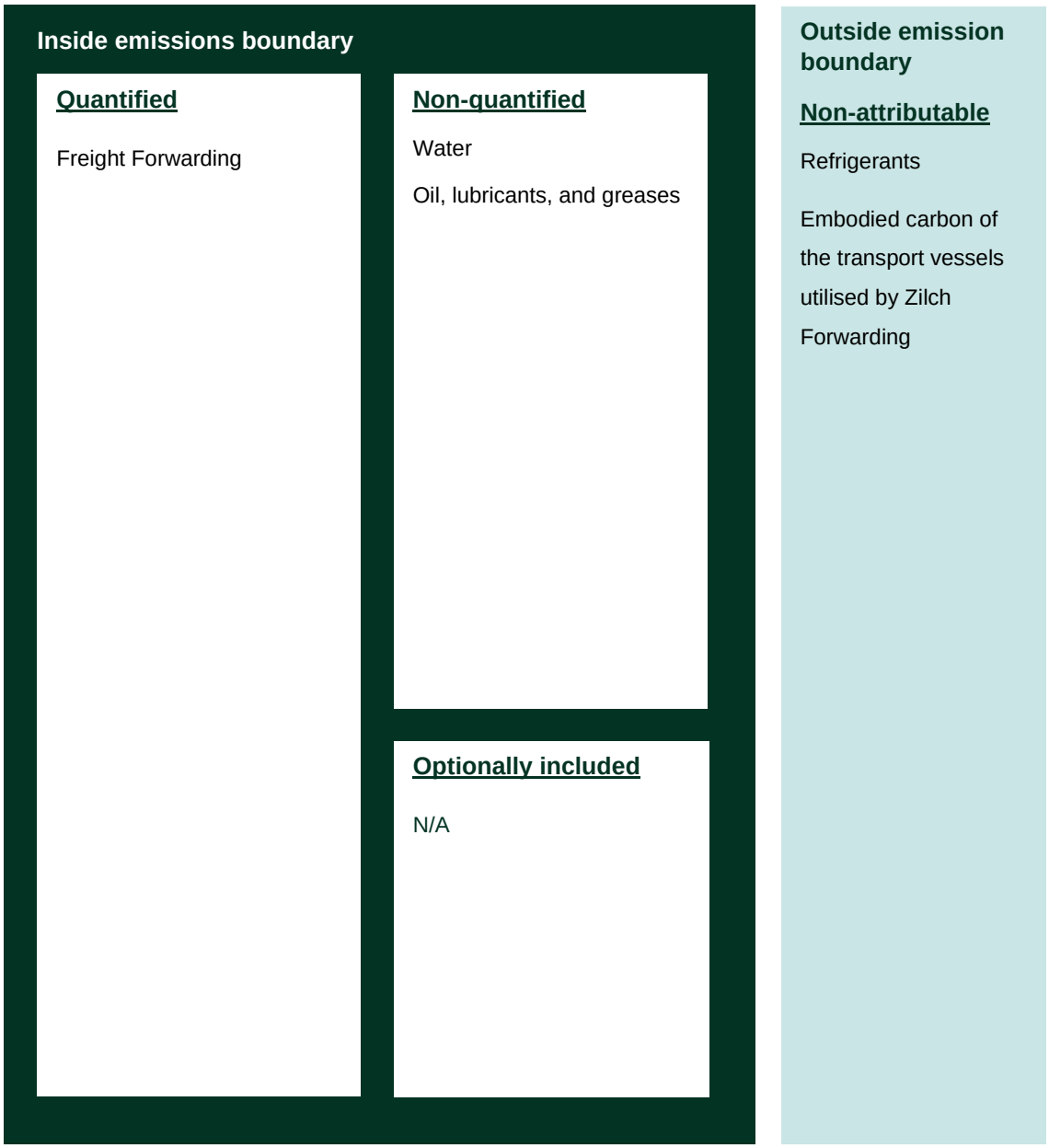
All emission sources listed in the emissions boundary are part of the carbon neutral claim.

Quantified emissions have been assessed as 'attributable processes' of a product or service. These attributable processes are services, materials and energy flows that become the product or service, make the product or service and carry the product or service through its life cycle. These attributable emissions 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.

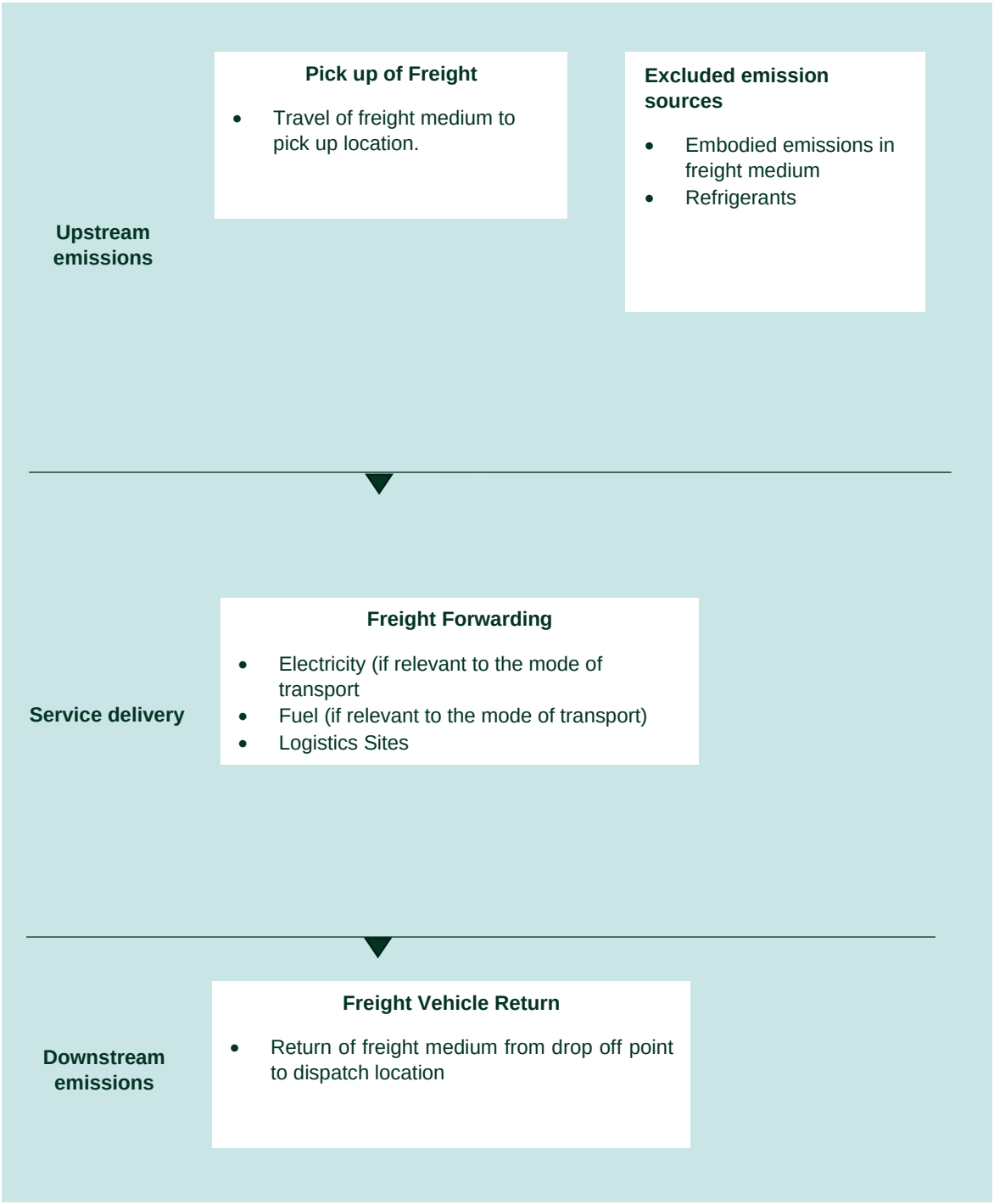
Outside the emissions boundary

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
Freight Forwarding
Non-quantified
Water
Oil, lubricants, and greases
Optionally included
N/A
Outside emission boundary
Non-attributable
Refrigerants
Embodied carbon of the transport vessels utilised by Zilch Forwarding

Service process diagram

Cradle to grave.



4. EMISSIONS REDUCTIONS

Emissions reduction strategy

Zilch Forwarding's service emissions arise from customers' demands for international transport.

Zilch is a non-asset owning freight forwarding business with limited control on emissions reduction strategies of the asset owning transport operators that we utilise (on behalf of our clients).

The Australian freight market is largely unregulated and most transport operators do not operate in the regulatory market, meaning most have not developed emissions reductions strategies.

Whilst this is the case, Zilch places a high priority on selecting service providers that are on the journey to deliver lower emission freight movements. We have a big focus on sea shipping as it is the most carbon efficient mode of transport for global freight movements. The governing metric for transport related emissions is grams of CO2e per tonne kilometre (gCO2e/tkm)

The global shipping sector is governed by the International Maritime Organisation. The IMO has established a comprehensive strategy for reducing greenhouse gas (GHG) emissions from international shipping.

The revised IMO GHG Strategy, adopted at the Marine Environment Protection Committee (MEPC 80) includes an enhanced common ambition to reach net-zero GHG emissions from international shipping by or around, i.e. close to 2050, a commitment to ensure an uptake of alternative zero and near-zero GHG fuels by 2030, as well as indicative check-points for international shipping to reach net-zero GHG emissions for 2030 (by at least 20%, striving for 30%) and 2040 (by at least 70%, striving for 80%).

In particular, the 2023 IMO GHG Strategy envisages a reduction in carbon intensity of international shipping (to reduce CO2 emissions per transport work), as an average across international shipping, by at least 40% by 2030. The new level of ambition relates to the uptake of zero or near-zero GHG emission technologies, fuels and/or energy sources: they are to represent at least 5%, striving for 10%, of the energy used by international shipping by 2030.

Underpinnig this approach is the implementation of a carbon intensity (CII), A-E rating system designed to incentivise shipowners to enhance the carbon efficiency of their vessels and the adoption of alternative zero and near-zero GHG fuels which will be active from 2024. Moreover, the CII regulation is progressive, and from 2023 to 2026, the required CII will reduce by an additional 2% each year. Ships that are rated E, or D for three consecutive years, are mandated to implement a 'Corrective Action Plan' to improve their rating to at least a C by the following year 4 . This mandatory measure under MARPOL Annex VI applies to all cargo, RoPax, and cruise vessels above 5,000 gross tonnage (GT) trading internationally.

Zilch is already working with its client on targeting more efficient transport modes, sea going vessels to lower the emissions intensity of their freight movements and will monitor the rating of vessels from 2024 and beyond.

Given the complex nature of this hard to abate sector, Zilch is yet to be able to deliver a specific roadmap on emissions reductions but seeks to leverage existing action with the IMO by identifying and prioritising more efficient vessels on behalf of our clients.

Emissions reduction actions

Zilch Forwarding places a high priority on quality emissions calculations coupled with strategies to reduce these emissions.

These include;

- Shipment level, by transport mode emissions calculations in alignment with ISO 14083 and the GLEC framework
- Identifying more efficient modes of transport including shifting from land transport to sea transport for domestic freight movements
- Sea vessel and route optimisation
- Carbon insetting (on top of current carbon offsetting undertaken as a part of Climate Active)

5.EMISSIONS SUMMARY

Emissions over time

Emissions since base year			
		Total tCO_2-e	**Emissions intensity of the functional unit**
Base year:	2020–21	73.56	0.00904 kgCO2e/t.km
Year 1:	2021–22	184.81	0.00461 kgCO2e/t.km

Significant changes in emissions

Emission source name	Previous year emissions (t CO_2-e)	Current year emissions (t CO_2-e)	Detailed reason for change
Freight Forwarding Service - Zilch	36.92	171.21	Organic business growth
Emissions intensity of the functional unit	0.00904	0.00461	Improvement to data quality and processing. This is a weighted average emission intensity and may vary depending on freight volumes and modes.

Use of Climate Active carbon neutral products and services

Certified brand name	Product or Service used
EnergyLink Services	Climate Active CY22 Certification

Emissions summary

Stage / Attributable Process / Source	tCO_2-e	Overlap with Organisation %	Offset for CY22 (tonnes CO2-e)
Total organisation emissions	13.60	100%	14
Freight forwarding service delivery	171.21	0%	172

Emissions intensity per functional unit	0.00461 kg co2e
Number of functional units to be offset	40,056,536.45 tonne.kilometre
Total emissions to be offset	184.81

*It is noted that all emission sources excluding emissions associated with freight forwarding activities are captured and offset as part of the Climate Active carbon neutral organisation certification for Zilch Forwarding Pty Ltd. (the parent organisation). Further details of the associated offset surrender (organisation and service) can be found in the parent organisation's Public Disclosure Statement (PDS).

6.CARBON OFFSETS

Further details of the associated offset surrender (organisation and service) can be found in the parent organisation’s Public Disclosure Statement (PDS).

7. RENEWABLE ENERGY CERTIFICATE (REC) SUMMARY

Renewable Energy Certificate (REC) Summary

N/A

APPENDIX A: ADDITIONAL INFORMATION

N/A

APPENDIX B: ELECTRICITY SUMMARY

N/A

APPENDIX C: INSIDE EMISSIONS BOUNDARY

Non-quantified emission sources

The following emissions sources 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	Justification reason
Water	Immaterial
Oil, Lubricants and Greases	Immaterial

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**).

	No actual data	No projected data	Immaterial
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.

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 other attributable emissions.

2. **Influence** The responsible entity could influence emissions reduction from a particular source.

3. **Risk** The emissions from a particular source contribute to the responsible entity's greenhouse gas risk exposure.

4. **Stakeholders** The emissions from a particular source are deemed relevant by key stakeholders.

5. **Outsourcing** The emissions are from outsourced activities that were previously undertaken by the responsible entity or from outsourced activities that are typically undertaken within the boundary for comparable products or services.

Non-attributable emissions sources summary

Emission sources tested for relevance	Size	Influence	Risk	Stakeholders	Outsourcing	Justification
Embodied emissions in freight medium	Y	N	N	N	N	**Size:** The emissions source is likely to be large compared to other attributable emissions. **Influence:** We do not have the potential to influence the emissions from this source, including by shifting to a different lower-emissions supplier for our service. **Risk:** There are no relevant laws or regulations that apply to limit emissions specifically from this source, the source does not create supply chain risks, and it is unlikely to be of significant public interest. **Stakeholders:** Key stakeholders, including the public, are unlikely to consider this a relevant source of emissions for our product/service. **Outsourcing:** We have not previously undertaken this activity within our emissions boundary and comparable products/services do not typically undertake this activity within their boundary.
Refrigerants	N	N	N	N	N	**Size:** The emissions source is likely to be small compared to other attributable emissions. **Influence:** We do not have the potential to influence the emissions from this source, including by shifting to a different lower-emissions supplier for our service. **Risk:** There are no relevant laws or regulations that apply to limit emissions specifically from this source, the source does not create supply chain risks, and it is unlikely to be of significant public interest. **Stakeholders:** Key stakeholders, including the public, are unlikely to consider this a relevant source of emissions for our product/service. **Outsourcing:** We have not previously undertaken this activity within our emissions boundary and comparable products/services do not typically undertake this activity within their boundary.

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