

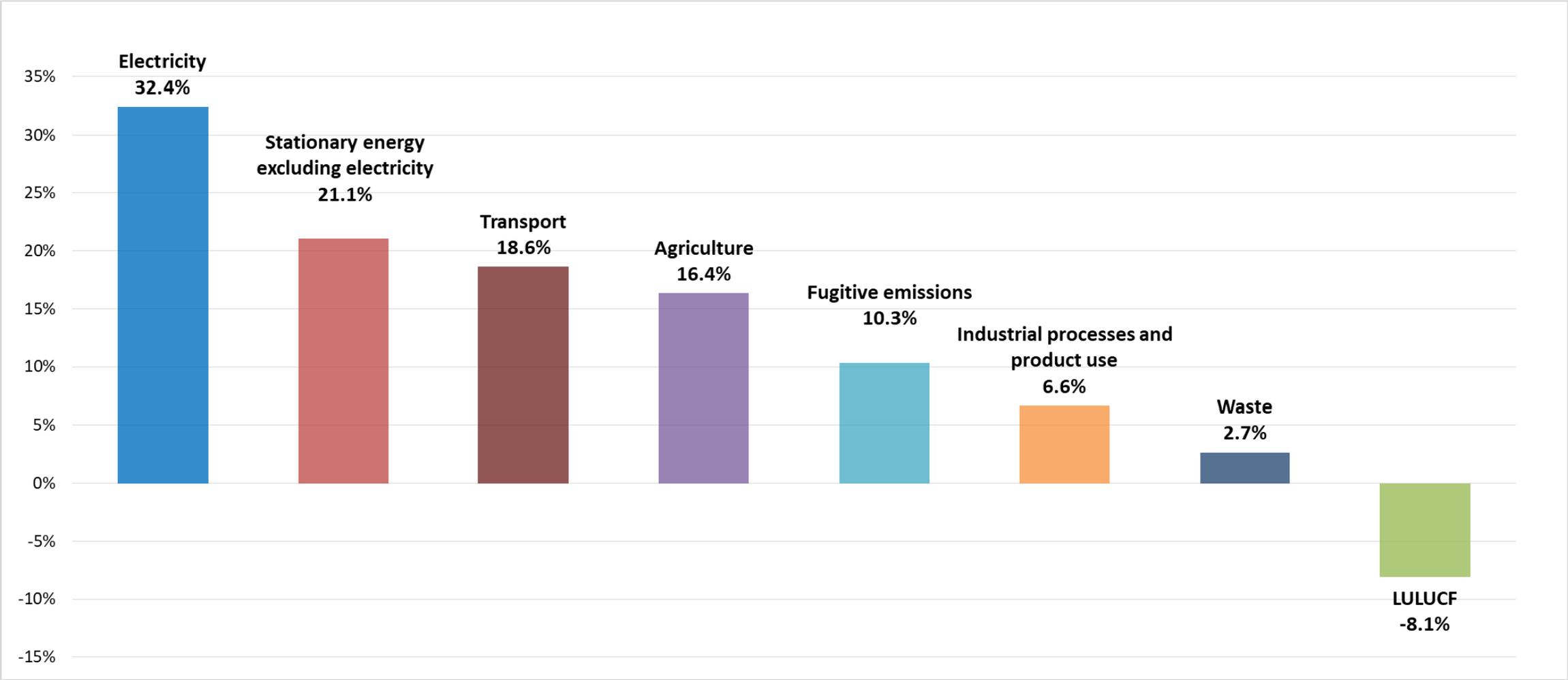


Case Study: Emissions Reduction Analytics

Bart Watson – Director, BI & Data
Team Global Express



Share of total Australian emissions, by sector for the year to June 2022



Source: Quarterly Update of Australia’s National Greenhouse Gas Inventory: June 2022, Department of Climate Change, Energy, the Environment and Water





Global Express' goal is to be the most sustainable national logistics solutions partner, as demands for national deliveries continue to accelerate and the business leans into the changing demands of consumers, e-commerce trends and emissions reductions targets.

Christine Holgate, Group CEO





Case Study: Emissions Reduction Analytics

- **Legislative Frameworks**
- **Emissions Measurement**
- **Reduction initiatives**



Emissions and Sustainability Reporting Frameworks

National Greenhouse and Energy Reporting Act 2007 (NGER Act)

- Australian federal legislation requires largest emitters to report emissions annually.
- Greenhouse gas emissions are measured as kilotonnes CO₂-e
 - Scope 1 - direct emissions
 - Scope 2 - indirect emissions from energy consumption
 - Scope 3 - indirect greenhouse gas emissions other than scope 2

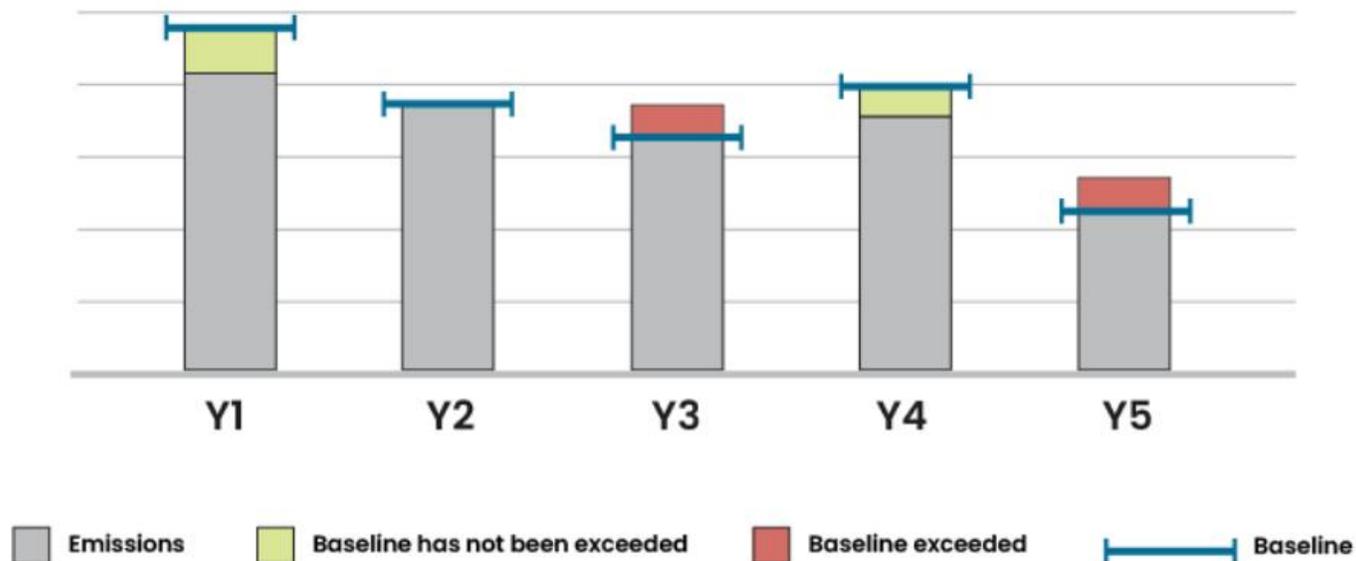
International Sustainability Standards Board IFRS S1 and IFRS S2

- International Financial Reporting Standard
- Sustainability disclosures focused on the needs of investors and the financial markets.
- Treasury release second consultation paper on 27 June 2023
- Proposes mandatory reporting requirements from 1 July 2024 for Australia's largest listed and unlisted companies and financial institution.
Other businesses to follow over time.



Safeguard Mechanism

Example of a facility's emissions and baselines for financial years commencing on or after 1 July 2023



- Australia's highest greenhouse gas emitters are required to maintain emissions below a limit (baseline).
- If a Safeguard facility exceeds their baseline, they must manage their excess emissions – by purchasing ACCUs
- Failure to comply may result in financial penalty
- From 1 July 2023, the baseline limit used will be decreased in line with Australia's climate targets. Baselines will adjust with annual production
- Where a facilities does not exceed their baseline, they may be eligible for credit units (SMCs) which can be traded.



Emissions Measurement at Team Global Express

Fuel & Energy Consumption Methodology

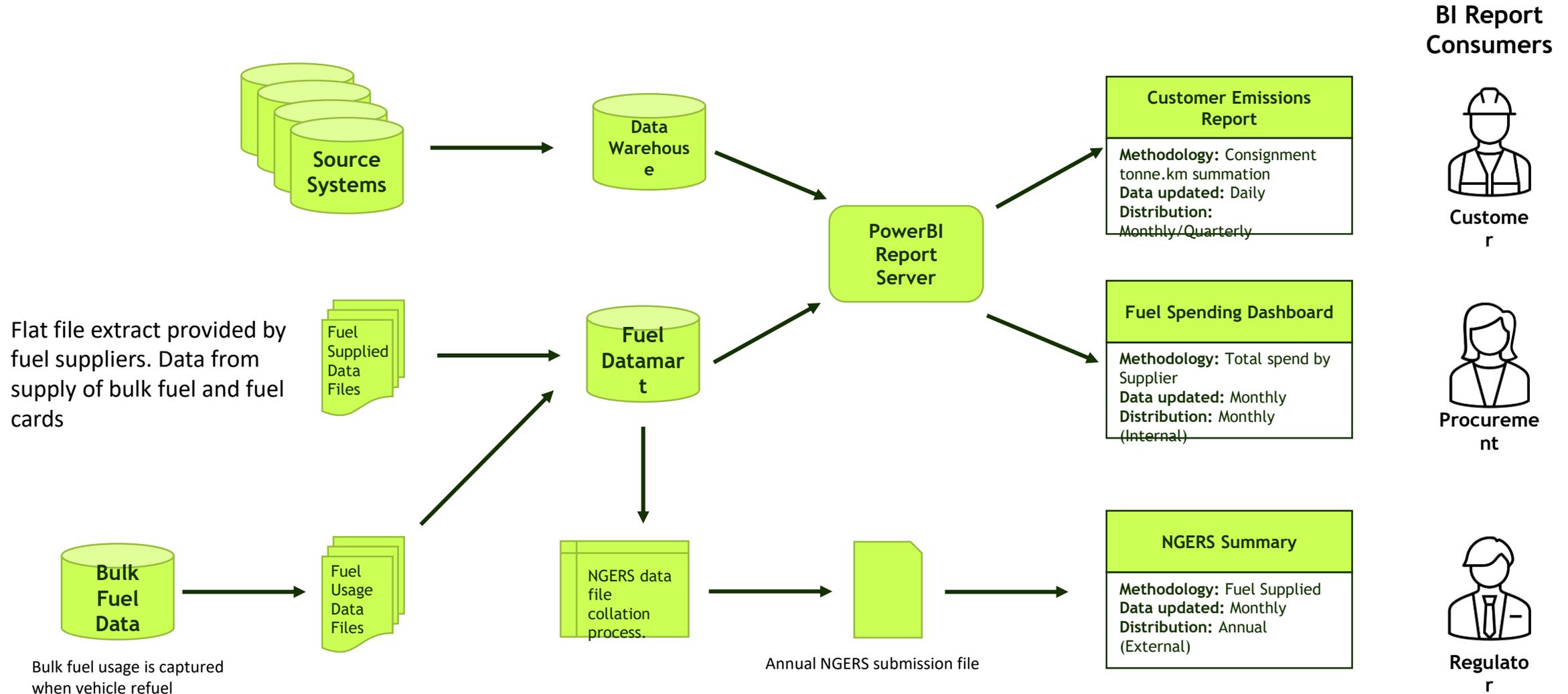
- Uses fuel procurement data
- Total emissions determined based on fuel type and usage factors
- Covers Scope 1 and Scope 2 emissions, excludes sub-contractors and third-party service provider emissions
- Used in NGERS submission
- Australian Parcels Group for 2021-22
 - Total scope 1 (direct): 223,331 (t CO2-e)
 - Total scope 2 (indirect): 20,176 (t CO2-e)

Freight Transported Methodology

- Consignment based approach
- Total emissions derived from freight attributes:
 - Freight weight (kg)
 - Distance travelled (km)
 - Transport mode (Road, Sea, Air, Rail)
 - Emissions Factor (f_T)
where T is the transport mode
- Covers Scope 1 and Scope 2 for freight services, includes sub-contractors and third-party service provider emissions



Emissions BI Reporting Overview



Team Global Express to deliver Australia's largest logistics EV fleet

Heavy transport represents 18.6% of all emissions in Australia - it is critical this is addressed if Australia is to meet our emission reduction targets



Leading Emissions Reduction Initiatives with ARENA Partnership

- Team Global Express, has partnered with ARENA to conduct the largest trial of a heavy electric logistics fleet in Australia
- Team Global Express will receive \$20.1 million in funding from ARENA, in addition to its own \$24.2 million investment, totalling \$44.3 million to finance the rollout of the project
- Groundbreaking trial involves the purchase of 60 heavy electric vehicles and the development of charging infrastructure using renewable energy
 - Team Global Express' site in Western Sydney (Bungarribee) will be adapted to host the trial
 - Team Global Express will start receiving the electric vehicles from early 2023, over an 18 month period
 - Team Global Express has committed to share its knowledge with ARENA and other industry providers, for the benefit of the entire logistics industry





“Data & Analytics team are already key enablers in the preparation and measurement of emissions.

Our next challenge is to contribute to the reduction initiatives.”



References

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About Team Global Express

- **World-class multi-modal transport & logistics provider**
 - Road, Air, Rail and Sea networks across Australia, New Zealand and International partners.
- **Former division of Toll Group - divested in September 2021**
 - Owned by Allergro Fund (private equity)
- **Revenue** \$3.5b
- **Employees** 7,500+
- **Customers** 36,000

