

Sustainability Performance – Net Zero



Net Zero

Support acceleration
towards net zero

Decarbonising our emissions across our operations

Our Decarbonisation strategy was developed to address the emissions associated with our operations (Scope 1 & 2), together with Scope 3 emissions associated with our supply chain and customers' combustion of Ampol products. The strategy sets an ambition to reach net zero emissions on an absolute basis across Australian operations by 2040, with operational emissions reduction targets consistent with this objective for 2025 and 2030.

To find out more read our Decarbonisation strategy [here](#).

Fuels and Infrastructure

Lytton refinery accounts for 98.9% of our Scope 1 emissions. While our forecasting and modelling sees Australian liquid fuels demand continuing beyond 2030, we recognise there is a need to improve the operations of the refinery to meet our progressive improvement targets toward our decarbonisation ambition of reaching net zero operational emissions by 2040.

In 2022, we deployed a software tool enabling us to better monitor and identify when maintenance and cleaning of the crude unit pre-heat exchanger needs to be carried out. The software tool also aids with the management of fouling, the build-up of unwanted material deposits, and the associated energy loss. In early 2023, we will be able to fully understand the impact the software system is having on efficiency improvements and subsequent emissions reductions.

Other process efficiency projects that have progressed in 2022 but are at different stages of implementation and completion, include the replacement of economisers on two boilers, as well as the reconfiguration of the prefractionator tower (a distillation tower) in the feed section of the reformer unit. Both these projects have a target completion date of 2024.

For Distribution, our two Western Australian Terminal facilities Albany and Kalgoorlie were captured in our renewable energy procurement contract with Alinta Energy and delivered in 2022 as a renewable energy strategy initiative.

In 2023 we will increase our focus on a supportive decarbonisation culture and are putting in place a dedicated role to deliver on all aspects of our program. This will include further education and awareness programs so that our people understand how decarbonisation relates to their role.

Convenience Retail

Our retail operations accounted for 39.9% of our overall location-based Scope 2 emissions in FY2022. In 2022, we conducted an energy audit of 12 retail locations to help us measure usage and better understand and identify energy savings opportunities. From this, we piloted LED lighting upgrades in seventeen NSW, Victoria, Queensland, South Australia and Western Australia locations to test and learn an optimal approach. The results of the pilot have demonstrated benefits in a number of locations and deployment has begun across additional sites in Victoria and NSW as a priority in 2023 before reviewing for further applicability across the country in 2024.

In addition to switching to LED lights, we have conducted a culture diagnostic survey of our retail team members to help us understand energy efficiency behaviour. From this we developed a strategy and rolled out a plan for our retail staff members, focusing on encouraging behavioural changes, such as switching off lights when not in use, maintaining air-conditioning temperatures, and installation of technologies like sensors to automatically turn off and on canopy and amenities lights.

Commencing in 2023, we will begin the installation of solar panels at ~50kW capacity per site at 99 of our retail locations that will align with our AmpCharge EV fast-charging infrastructure rollout.

Supporting our customers and positioning for the transition to a low carbon future

The energy transition presents an opportunity for the business to evolve with our customers as their energy needs change.

Our future energy strategy pursues the opportunities arising from the energy transition that leverage our core assets and capabilities to establish an attractive position in new energy products and services. By the end of 2023 Ampol will have invested up to \$15 million in developing and preparing a suite of future energy initiatives, while also building a team of experts to guide our approach. This includes low emissions opportunities within electrification, hydrogen and other new products and solutions, as well as collaborating with a range of partners to develop and deliver low emission solutions for our customers.

To find out more read our future energy strategy [here](#).

Electric vehicles and the launch of AmpCharge

We believe battery electric vehicles (EVs) will play a critical role in helping our customers decarbonise and in cutting emissions in the transport sector. EV charging services are a natural extension of our transport product offerings, and we believe we have a strong role to play in supporting the uptake of EVs in Australia.

In 2022, we unveiled our EV charging solution, AmpCharge. Our vision for AmpCharge is to be the market leading e-mobility brand in Australia by providing energy for any vehicle our customers drive, anytime they want it, where they need it.

Our first AmpCharge locations were opened in five sites across the country – Alexandria in Sydney NSW, Carseldine in Queensland, Northmead in NSW, Altona North in Victoria and Belmont in Western Australia. All of these locations acted as test and learn pilot sites and we look forward to expanding the rollout of this program in 2023.

More information can be found in the future energy operations report section of this report.

Z Energy expanding its EV charging rollout

Z is rapidly expanding its EV charging network to meet the forecast demand of electric vehicles sales in New Zealand over the coming years. In November 2022, Z Energy announced a partnership with EV technology company Red Phase to introduce the first super high-speed EV charging station at Z's Waiouru retail service station site. This demonstration project is expected to be a 'test and learn' approach as to whether there is a commercial opportunity across other parts of Z's network to utilise this technology in areas that have electricity supply constraints.

To find out more read Z Energy's Annual Report for the nine months to 31 December 2022, available at the end of February 2023.

AmpCharge powers the TOCEVA racing team

In 2022 we announced our naming rights sponsorship of the TOCEVA Racing Team. TOCEVA, the 'Tesla Owners Club Electric Vehicle Association Australia', entered the only Electric Vehicle rally car in the 2022 Perth to Sydney Marathon, which began in Perth's Wellington Square on 28 October and arrived at Warwick Farm in Sydney ten days later on 6 November. The event helped drive excitement and further interest in battery electric vehicles with the AmpCharge branding being front and centre on the TOCEVA rally car.

To enable this achievement, a dedicated team of volunteers helped to deploy two mobile charging trucks, one with an 80kw EV charger and the other with a 100kw charger, that travelled alongside the rally car to allow for recharging when required – both chargers were also powered by used cooking oil.

Jon Edwards, TOCEVA Racing Team manager, said the Ampol sponsorship helped ensure the team was prepared to deliver their best during the ten-day event. He said "We are taking on an unprecedented challenge crossing the country in an EV navigating some very remote gravel roads competing in a field of nearly 80 conventionally fuelled rally cars. We are pleased to be promoting the Ampol AmpCharge brand which fits perfectly with our EV racing ambitions and desire to be part of the energy transition."

This sponsorship reflects our long connection with Australian motorsport and our transition to support the uptake of battery electric vehicles across Australia.



Sustainability Performance – Net Zero continued

Hydrogen

We believe that hydrogen has an important role to play in the future energy mix and in the decarbonisation of Australia's transport sector. For hydrogen to become a mainstream option for the fuel user of the future, users will need to have confidence that hydrogen supply is safe, reliable, and convenient, as well as supported by a network of refuelling infrastructure that is close to where it will be needed.

Our strategically located fuels infrastructure, including retail, manufacturing and distribution assets, put Ampol in a unique position to contribute as the hydrogen industry further develops in the years ahead.

Expansion of Ampol Carbon Neutral program

In 2022 we announced as a future energy Initiative the expansion of our Climate Active certified carbon neutral program to all our business-to-business customers.

We continue to acknowledge that this is an interim solution and small step that forms just one part of our future energy portfolio of options we are building for our customers to assist them on their decarbonisation journey, more notably when purchasing our tradition fuel products this coming decade whilst lower carbon alternatives scale.

Our portfolio of projects consists of international and Australian nature-based solutions including Human Induced Regeneration (HIR) and Avoided Deforestation (AD) projects. The program is also certified under the Climate Active Carbon Neutral Standard.

Next Generation Fuels

In 2022, we started exploring further strategic options towards becoming a leader in alternative next generation fuels as a way to help assist our customers with their decarbonisation goals. This includes looking at the sourcing, distribution, sales and potential manufacturing of alternative fuels such as renewable diesel and Sustainable Aviation Fuel (SAF).

We have employed a small team of experts to further build out our strategy. As part of this, in 2022 we became a key industry collaborator in the Climate Leaders Coalitions (CLC) 'FlyCo' proof of concept as part of their Scope 3 Roadmap published in November, which looks at addressing scope 3 emissions within the SAF value chain that aligns with a 1.5°C scenario.

Endua

In May 2021, we announced our partnership with Endua, an early-stage Australian developer of hydrogen-based microgeneration and storage technology. Last year's focus for Ampol and Endua was on design workshops, experiments on fluid flow and materials corrosion, and building and testing an electrolyser based on CSIRO's design fundamentals. At the start of 2022, the team has

produced a scalable electrolyser design and consequently have been laying the groundwork for what will be Endua's initial sales pipeline. In 2022 the team also conducted further electrolyser testing by automating their test rig and enhancing their in-house manufacturing capabilities. As we move into 2023, work will continue with plans to build Endua's first demonstrator plant.





Net Zero | 2022 Planned actions and performance⁵

Execute Energy Management Plans including delivering energy and process efficiency trials to test if suitable for broader application	Achieved	✓
Rollout rooftop solar panels across our Retail network in conjunction with EV charging station installation	Progressing	→
Deliver our Future Energy Plan including ARENA EV charging rollout, small-scale energy retailing and development of biofuels strategy <i>Our energy retailing trial was delivered for a group of Ampol employees</i>	Progressing	→
Release of further climate disclosures aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework in Q4 2022 <i>We committed to release these disclosures in Q4 2022, and while this work is significantly progressed, we will now be releasing in 2023</i>	Delayed	⊘
Continued climate change advocacy including through our Australian Climate Leader Coalition membership	Achieved	✓

2023 Priorities

Decarbonisation



- Factor decarbonisation principles into procurement and contractual processes
- Supply chain engagement on decarbonisation
- Deliver a material uplift to a minimum 180 EV charge points
- Release Climate Report aligned with TCFD

5. 2022 planned actions limited to Australian operations, while 2023 priorities are enterprise-wide and incorporate Australia, New Zealand (Z Energy) and Singapore operations.