

## 2023 Sustainability Performance – Net Zero



### Net Zero

### Support acceleration towards net zero



### Decarbonising our emissions across our operations

Our Decarbonisation Strategy was developed in May 2021 to address the emissions associated with our operations (Scope 1 & 2)<sup>1</sup>, with an ambition<sup>2</sup> to reach net zero operational emissions across our Australian operations by 2040<sup>3</sup>. We set short-term (2025) and medium-term (2030) Scope 1 and 2 operational emissions reduction targets for our Convenience Retail<sup>4</sup> and Fuels and Infrastructure<sup>5</sup> business units in Australia to support our ambition.

#### Fuels and Infrastructure

Our decarbonisation approach towards our operational emissions at Lytton refinery involves prioritising abatement opportunities using a cost-benefit approach, while also supporting Australia's fuel security needs. This includes maintaining domestic refining operations until at least mid-2027 with the option to extend in alignment to the Federal Government's *Fuel Security Act 2021* (Cth).

Towards the end of 2022 we installed a modelling software tool that enabled us to better monitor and identify when maintenance and cleaning of the crude unit pre-heat exchanger was needed. Between March and July 2023, we were able to see an improvement in efficiency, and the data gathered shows we will see a subsequent reduction of approximately 2,300 tCO<sub>2</sub>e per year associated with the improved practice, without seeing an increase in the number of pre-heat exchanger cleans throughout the year.

In November 2023, we successfully completed the replacement of economisers on two of the refinery's boilers. We will be able to see the impact of this energy efficiency improvement project in 2024.

Throughout 2024 we plan to continue to build capability by engaging two additional resources to assist with the project management of our decarbonisation initiatives at the refinery. Lytton refinery accounts for 98.5% of our Scope 1 emissions in Australia.

In our Distribution network, we undertook two lighting optimisation projects at our Banksmeadow NSW Terminal and Newport VIC Terminal facilities. These two projects involved LED light replacement in both operational and office spaces. Throughout 2023, we also continued replacing our Depot operational fleet with more modern, diesel engine technology and truck configurations optimised to deliver an emissions reduction benefit. Moving into 2024, we will expand this program to our Aviation facility fleet vehicles.

#### Safeguard Mechanism Reforms

In 2023, the Federal Government introduced reforms to the *National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015* (Cth) (Safeguard Mechanism). This was done to help establish a national framework for Australia's highest emitting industrial facilities to reduce their emissions and help to achieve Australia's Nationally Determined Contribution (NDC) emissions reduction goals of 43% by 2030, gradually, and predictably.

We are supportive of the Government's changes to the Safeguard Mechanism and understand the complexities of balancing the dual objectives of supporting a reliable and secure domestic fuel supply chain, while also delivering on Australia's international emission reduction commitments and supporting broader energy transition goals. We will continue to work with the Government as the reforms progress, recognising the impacts to Lytton refinery of manufacturing to the new fuel standards (from December 2025), as well as understanding how the use of renewable fuels may support other facilities covered under the Safeguard Mechanism to meet their own emissions reduction objectives.

1. Ampol's definition of operational emissions is in accordance with the National Greenhouse and Reporting (NGER) definition and refers to all Scope 1 and Scope 2 emissions within Ampol's operational control in Australia.
2. Ambition refers to seeking a certain outcome for which the pathway to achieving this is uncertain. Efforts will be pursued towards addressing the ambition subject to certain assumptions and conditions.
3. In order to achieve net zero operational emissions by 2040, we have assumed that Lytton will no longer be operating as a refinery that manufactures hydrocarbon products by that time. More information can be found in our 2023 Climate Report available on the Ampol website.
4. Reduce operational emissions on an absolute basis by 25% by 2025 and 50% by 2030 from 2021 levels for all retail locations owned and operated by Ampol in Australia.
5. Reduce operational emissions intensity by 5% by 2025 and 10% by 2030 from 2021 levels. With emissions intensity being the total emissions (Scope 1 and 2) per kL of Total High Value Product (HVP) for Lytton refinery and total emissions (Scope 1 and 2) per kL of Total Fuel Throughput for our three largest Terminal facilities: Kurnell NSW, Banksmeadow NSW and Newport VIC.

## Convenience Retail

Approximately 38% of our location-based Scope 2 operational emissions are attributed to our company owned retail operations in Australia in 2023. Following on from the energy audits we conducted in 2022, as well as the piloted LED lighting upgrades we conducted in 17 of our company owned and operated locations around Australia, we found our most tangible area of opportunity to help reduce Scope 2 emissions was by rolling out LED lighting retrofits across our network.

This year we undertook LED lighting upgrades in both our retail canopies and forecourts in 41 of our company owned and operated locations in Victoria as well as 95 of our company owned and operated retail locations in New South Wales (NSW). This involved the canopies only in Victoria, and both canopies and forecourts in NSW. Moving into 2024, we plan to continue the rollout of this project at retail locations in Queensland that have been strategically identified for upgrades.

This year we began the program to install ~50kW capacity per site of solar panels at over 90 of our company owned and operated retail locations that align with our AmpCharge EV fast-charging infrastructure rollout. As at 31 December 2023, 25 locations have had solar panels installed under this program, located in NSW, Victoria and Queensland.

## Z Energy

In New Zealand, our ambition is to achieve a 42% reduction in operational emissions by 2029 from a 2019 baseline. We continue to deliver against this target through emissions reduction initiatives that include increasing the proportion of hybrid and EVs within Z Energy's corporate fleet. Emissions associated with distribution of fuel through the use of heavy vehicles is one of the hardest areas to abate within our operational emissions target in New Zealand. Z Energy is continuing to work in collaboration with MOVE, its domestic fuel haulier, on their shared commitment to sustainability and emissions reductions.

To access Z Energy's Community and Sustainability Strategy 2030, visit the Z Energy website.

## Delivery of Ampol's 2023 Climate Report aligned to Task Force on Climate-Related Financial Disclosures

In July 2023 we released our 2023 Climate Report, which provided an overview of how we are progressing on the delivery of both our Future Energy and Decarbonisation strategies between the period May 2021 to the end of May 2023.

Our Decarbonisation Strategy outlined our commitment and pathway to reducing our operational emissions (Scope 1 and 2), with an ambition for our operational emissions to be net zero in Australia by 2040. In order to meet our ambition, we also set interim targets which include short-term (2025) and medium-term (2030) Scope 1 and 2 targets, and our 2023 Climate Report provided information that we are on track to meet our 2025 targets.

Our Future Energy Strategy outlined our ambition to commercially participate in helping our customers embark on the energy transition in Australia. This reflects our strategic intentions to introduce low carbon energy solutions for our customers, as well as outline our intentions with regards to Scope 3 emissions, and how we can influence the reduction of these emissions as commercially viable solutions become available. For more information on how we are delivering on these strategic intentions, please refer to the Future Energy section of the Operations Report in our Annual Report.

The report was prepared in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) framework and can be found online on the Ampol website.

## Updating our Ampol Supplier Code of Conduct and questionnaire

In 2023, we looked to factor in decarbonisation principles and supply chain engagement into procurement and contractual processes at Ampol. As part of this process, in Q4 we updated our Ampol Supplier Code of Conduct as well as our supplier questionnaire to help us better assess and engage with suppliers who have decarbonisation and circular economy opportunities that look to measure, identify, monitor and minimise emissions and energy consumptions from their own operations.



## 2023 Sustainability Performance – Net Zero continued

### Supporting our customers and positioning for the energy transition

Since the release of our Future Energy Strategy in May 2021, we have developed in-house modelling capabilities to estimate the impact of various climate change scenarios on the transport sector. By 31 December 2023 we have invested over AU\$65 million in capital expenditure as part of our 2025 AU\$100 million target in the development of low carbon transport solutions.

Our Future Energy Strategy can be found on the Ampol website.

In 2022, Z Energy released a Community and Sustainability Strategy 2030, with one of the goals to lead transition *Arahi Whanaketanga*. By working with customers, suppliers, and partners to provide solutions, this goal will enable New Zealanders to join Z Energy on the path to a low carbon future.

By 31 December 2023, Z Energy has continued to utilise its NZ\$50 million capital spend in New Zealand to support future energy initiatives by 2029.

To access Z Energy’s Greenhouse Gas Inventory including all Scope 1, 2 and 3 emissions, visit the Z Energy website.

### Accelerating our AmpCharge rollout across Australia

As our customers’ needs expand, we believe battery electric vehicles (BEV) will be the likely decarbonisation solution for our passenger and light commercial vehicles customers. Therefore, we have a key role to play in supporting the uptake of EVs in Australia.

Since launching our AmpCharge EV charging brand in May 2022, in addition to our own capital investment, we have also entered into co-funding agreements with Australian Renewable Energy Agency (ARENA) and the NSW Government to roll out 300 EV charging bays to over 100 EV charging sites by the end of 2024. In 2023, we successfully partnered with Europcar as a Future Energy Initiative delivered, and as of 31 December 2023 we have successfully delivered 82 AmpCharge charging bays in Australia to 36 sites of the minimum 180 EV charge bays targeted for delivery in Australia in 2023. Despite our best efforts the pace of the rollout was impacted by the time taken to obtain approval to make the electrical connection across numerous network service providers and other development approvals including working with third party landowners. This meant that only 82 bays were able to go live during 2023 with many more in various stages of completion. We continue to manage the approvals processes as we continue to expand the EV charging network during 2024.

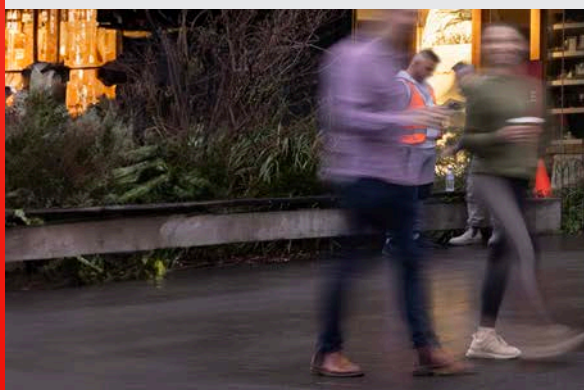
In the period of 1 January and 31 December 2023, we also chose to offset 100% of the electricity consumption for our ARENA and NSW co-funded AmpCharge EV charging bays through the purchasing and surrendering of voluntary large-scale generation certificates (LGCs) to cover the electricity usage at these charging sites.

### AmpCharge Mirvac partnership

This year we partnered with Mirvac on an important initiative that will see us install AmpCharge EV charging bays at destinations outside of our service stations. This partnership with Mirvac will involve installing AmpCharge chargers throughout Mirvac’s retail portfolio, with the first installation to take place in early 2024.

Mirvac first rolled out EV charging services for customers six years ago and this partnership with Ampol will more than double the number of charging bays across the property group’s retail destinations, including Broadway Sydney, South Eveleigh and Orion Springfield Central, offering a range of customer charging options.

Mirvac Retail General Manager Kelly Miller said: “Mirvac’s partnership with Ampol represents a significant milestone in electrification with two major Australian companies coming together to drive the use of more sustainable vehicles. We recognise it is our responsibility to provide our customers with more sustainable solutions.”



## Z Energy's EV charging rollout

Z Energy's approach to installing EV charging bays across New Zealand focuses primarily on areas with the highest density of customers using EVs. As Z Energy continues to expand its on-the-go EV charging network, as of 31 December, they have installed 104 charging bays across 37 retail sites. Z Energy has the ambition to be one of the leading EV charging providers in New Zealand, with a network of fast and ultra-fast charging infrastructure across the country.

### Z Energy's Red Phase partnership

In September 2023, Z Energy commenced an ultra-high speed EV charging infrastructure trial at the Z Waiouru retail site in partnership with local EV charger manufacturer Red Phase and supported by lines company Powerco and the Energy Efficiency and Conservation Authority (EECA).

Red Phase uses an innovative technology that helps the EV charging infrastructure use power more efficiently and reduces pressure on the local electricity network. This technology should enable EV charging infrastructure to be rolled out more efficiently, avoiding costly and time-consuming network upgrades.

## Next generation fuels for our customers, focusing on renewable diesel and hydrogen

In 2023, we continued to build momentum and evolve our strategy towards becoming a leader in next generation fuels for our customers in Australia and New Zealand. Our research has shown that renewable fuels i.e. liquid hydrocarbons made from biomass material that can be blended into different traditional fuel grades, has the potential to be one of the most cost-effective and easily deployable decarbonisation solutions available.

We are currently exploring the feasibility of delivering a renewable fuels manufacturing facility at our Lytton refinery. In New Zealand, Z Energy are partnering with LanzaTech and LanzaJet to conduct a feasibility study to test the viability of establishing and operating a domestic Sustainable Aviation Fuel (SAF) facility in New Zealand.

In addition to renewable fuels, we continue to believe that hydrogen will also play an important role in the decarbonisation of Australia's transport sector. Our modelling suggests that heavy transport and shipping will have the greatest use for hydrogen and its derivatives in Australia. We continued to build out our hydrogen strategy in 2023, and worked closely with State, Territory and Federal Governments acting as an industry expert to help facilitate the establishment of a hydrogen transport industry in Australia.

## Z Energy Sustainable Aviation Fuel partnership

In June 2023, New Zealand's then Minister for Tourism announced that the Government, in conjunction with Air New Zealand, was co-funding two feasibility studies to test the viability of establishing and operating a domestic Sustainable Aviation Fuel (SAF) production facility in New Zealand. Under one of these feasibility studies, Z Energy is partnering directly with LanzaTech and LanzaJet, focusing on the potential to use forestry residue as a feedstock in the production of SAF.



## Hanson renewable diesel partnership






In September, we announced a new and exciting partnership with Hanson, who became our first renewable diesel imported product trial customer. Renewable diesel is comprised of liquid hydrocarbons made from biomass material that can be blended into different traditional fuel grades. As part of this trial partnership, we will be supplying Hanson with a blend of fuel products consisting of 20% renewable diesel and 80% ultra-low sulfur diesel. By doing this, it will allow us to get a more practical understanding of the customer demand and market feasibility of renewable diesel in Australia.

## 2023 Sustainability Performance – Net Zero continued



### Net Zero

#### 2023 Priorities and performance<sup>1</sup>

	<b>Decarbonisation</b> Factor decarbonisation principles into procurement and contractual processes	<b>Delivered</b> 
	Supply chain engagement on decarbonisation	<b>Pivoted</b> <i>decision to reprioritise to continually improve emissions reporting due to changing legislation</i> 
	Deliver a material uplift to a minimum 180 EV charge bays	<b>In progress</b> 
	Release Climate Report aligned with TCFD	<b>Delivered</b> 

#### 2024 Priorities

- Decarbonisation** Deliver a network of 300 EV charge bays in Australia by the end of 2024
- Deliver a network of 150 EV charge bays in New Zealand by the end of 2024
- Enhance carbon data management systems extending to Scope 3 emissions

1. 2023 priorities are enterprise-wide and incorporate Australian, New Zealand (Z Energy) and Singapore operations.