

ASX Release



29 April 2021

2020 SUSTAINABILITY REPORT

Ampol Limited (ASX:ALD) provides the attached 2020 Sustainability Report.

Authorised for release by: a Sub-Committee of the Board of Ampol Limited.

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2020 Sustainability Report

Powering better
journeys, today
and tomorrow



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Reporting approach

This report is aimed at improving transparency of our most material risks, how we manage these risks and operate responsibly. We have prepared this report with reference to the Global Reporting Initiative's (GRI) Standards to provide shareholders with comparable information relating to sustainability performance.

This report covers the year 1 January 2020 to 31 December 2020, with the exception of carbon emissions data which covers the period 1 July 2019

to 30 June 2020 (in alignment with National Greenhouse and Energy Reporting requirements). It covers Australian and international operations, with the exception of greenhouse gas, energy, water and waste data which is limited to Australian operations.

In addition to our 2020 Sustainability Report, please refer to our 2020 Sustainability Datasheet and Appendix which contains:

- Performance metrics
- Global Reporting Initiative (GRI) Standards Index

- United Nations Sustainable Development Goals reporting

To provide confidence in the data we include in our report, we have engaged KPMG to provide limited assurance over selected data sets within our 2020 Sustainability Report including safety and carbon emissions data. KPMG's assurance statement is included at the end of this report.



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From the Leadership team

Message from the Managing Director and CEO and Safety and Sustainability Committee Chair

2020 was a year like no other. With bushfires and then COVID-19, it has been a time where we needed to focus on what matters most to support our customers, our people and the community in all regions we operate in. We have been steadfast in our resolve to keep our people and customers healthy and safe and to provide the essential fuels and services that keep our economy moving. We acknowledge and thank our people for the great care they have taken throughout the year, stepping up to keep themselves, our customers and the communities where we operate safe and well.

Safety

The health and safety of our people and customers remains our highest priority. Pleasingly, our safety performance has improved over the year, with a drop in TRIFR from 10.7 in 2019 to 4.6 for Fuels and Infrastructure, including during a time of heightened risk at Lytton refinery over an extended Turnaround and Inspection period. Safety performance across our retail networks has also improved with TRIFR dropping from 14.0 in 2019 to 10.1 in 2020 due to our relentless safety culture focus.

We acknowledge that there is no room for complacency, and we remain committed to continuously improving on our safety performance.

Climate change and energy transition

We have been preparing a Future Energy and Decarbonisation Strategy which we will be proud to announce to the market in May 2021. The Strategy will include our operational carbon targets and will set out our future focus areas to transition with our customers and meet their lower emission energy needs.

During the year we built on our Task Force on Climate-related Financial Disclosures (TCFD) work, undertaking climate scenario analysis to better understand how Australia's energy mix may evolve out to 2050. Outcomes of this work will be found in our Future Energy and Decarbonisation Strategy, soon to be available on the Ampol website.

Protecting the environment

During the year we have continued delivery of our group-wide environmental governance framework with the objective of aligning all our business operations with the ISO 14001:2015 standards. A particular focus for the year has been on enhancing the capture and reporting of environmental performance data across our business in order to better understand and respond to the environmental risks associated with our operations. We remain focused on managing and mitigating impacts through the integration of environmental management into our operational culture.

Supporting communities

Our revitalisation as Ampol has renewed our focus on communities in 2020 and provided an opportunity to ensure our activities have proven social impact, make a meaningful difference and align with our new company purpose of *Powering better journeys, today and tomorrow*. In 2020, we relaunched our Ampol Foundation which is aimed at supporting better access to education and employment opportunities for young Australians.

We were delighted to announce a flagship partnership with The Smith Family, which will help young Australians in need to succeed at school, so they can create better futures for themselves. We also launched a new partnership with Surf Life Saving Australia, to help deliver safer beaches and save lives and extended our long-term relationships with the Clontarf Foundation and Stars Foundation. Through these partnerships, and the Ampol Best All Rounder award, we support the education of more than 12,080 children across Australia.

Looking forward

The Board together with Ampol's management team remain committed to sustainability. We are making good progress, but recognise there is more we need to do to deliver long-term value for our stakeholders and fulfill our purpose of *Powering better journeys, today and tomorrow*.



We welcome feedback on our sustainability reporting and performance. Please email us at sustainability@ampol.com.au



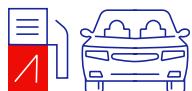
Matthew Halliday
Managing Director and CEO



Penny Winn
Chair, Safety and
Sustainability Committee

About Ampol

Ampol manages Australia's market leading fuels and retail business, serving over 80,000 customers in markets such as defence, mining and aviation and over three million retail customers every week



Our Values

The Ampol Values underpin everything we do. In particular, the Ampol Value of *'Never stop caring'* encourages us to always do the right thing and have a positive impact on the communities and economies in which we operate.

Connect to win

We collaborate as an integrated business to drive growth.

Find new ways

We innovate to deliver positive outcomes.

Own it

We make bold decisions and are accountable for the outcomes.

Make a difference for customers

We are connected to our customers and support their changing needs.

Never stop caring

We keep safety front of mind and make a positive contribution to those around us.

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2020 Key performance measures

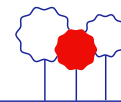
Creating long-term value for our customers, shareholders, communities and our people



Keeping our people safe and protecting the environment



Engaging our people



Contributing to our communities and economy



Delivering sustained value for our shareholders

Personal safety

Total Recordable Injury Frequency Rate¹

4.6 **10.1**

Fuels & Infrastructure

Convenience Retail

Days Away from Work Injury Frequency Rate²

1.1 **4.8**

Fuels & Infrastructure

Convenience Retail

1.8%

Gender pay difference (like-for-like roles)

8,127 Employees (headcount)

76% Employee engagement

\$578m paid to employees

Supporting the education of more than **12,000** children

\$14,241m

spend with suppliers

Australia's Top 20 Best Workplaces to Give Back recognition



\$7.5b

taxes paid in 2019 (reported December 2020)

\$2.47m

community investment via Ampol Foundation⁵

\$190m

returned to shareholders

48 cps

full year dividend (fully franked)



ROCE 3-year average **20%**

Environment

0 major spills (>8000L)

4 minor spills (>160L<8000L)

0 marine spills (any volume)

1 significant environmental event³

798,708 tonnes Scope 1 and Scope 2 carbon emissions (tCO₂e)

41,116,116 (tCO₂e) Scope 3 emissions⁴

Equileap's Global Top 100, ranked 26th



37% women in leadership roles

1. Total number of occupational injuries per one million hours worked. Occupational injuries include an injury requiring days away from work, restrictions in the work performed or medical treatment
2. Total number of days away from work per one million hours worked. Days away from work is defined as the number of days a worker is certified by a physician to be unfit to perform normal duties, starting from the day after the incident occurred
3. Category 2 or 3 environmental events resulting in more than one week environmental harm and remediation effort
4. Scope 3 emissions associated with the combustion of sold products
5. Total community investment value includes management costs and additional contributions to the community including employee volunteering

Our business

About Ampol

We operate a portfolio of assets including 12 terminals, five major pipelines, 89 depots, a branded retail network with over 1,900 sites nationwide and a refinery in Queensland. We also have presence in the New Zealand fuels markets as the owner of Gull New Zealand and a 20% equity interest in Seoil in the Philippines.

Our rebrand to Ampol has provided us with a unique opportunity to redefine who we are as a company and what we stand for. We will continue to promote the qualities that we have long been known for: safe and reliable supply and leadership in premium fuels and convenience, while leveraging our unique position as the largest Australian owned and fully independent fuel brand in the market to positively contribute wherever we operate. We are progressing the rebrand of retail sites over to the Ampol brand with this scheduled to be completed by mid 2022.



For further information on Ampol's purpose and strategy, refer to the 2020 Annual Report available [here](#).

Powering better journeys, today and tomorrow

This year we launched our new company purpose – *Powering better journeys, today and tomorrow* – which means focusing on delivering sustainable value for our shareholders, our customers, our people and the communities within which we operate. Underpinning our purpose is our corporate strategy framed by three pillars and utilising our key strengths including our strategic assets, deep customer base and supply chain expertise:



Enhance

the core of our business



Expand

a rejuvenated fuels platform



Evolve

our energy offer for customers

Principal activities

Fuels and Infrastructure

Our Fuels and Infrastructure business sources, imports, refines and distributes fuels and lubricants for a diverse customer base.

~80,000

B2B customers

20.1BL

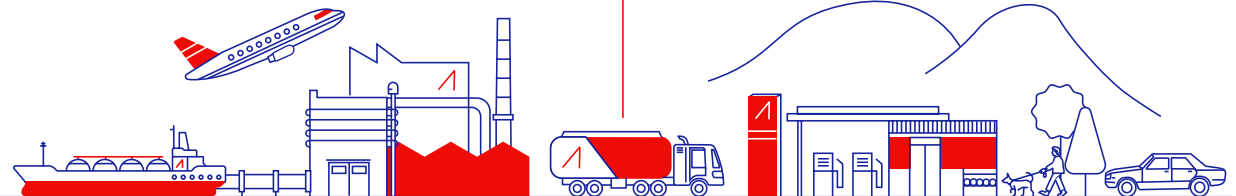
total fuel sales in 2020

74

fuel storage and distribution hubs

36%

increase in international volumes in 2020



Trading and Shipping

Refining

With capability and scale across the transport fuels supply chain, we are the market leader in Australia and an emerging player in the Asian region.

Our capability in product sourcing, peerless infrastructure and network assets, coupled with our deep customer relationships, allows us to run an integrated business and to drive value from international sourcing through to wholesale supply of fuels and lubricants.

In a competitive and evolving market, Fuels and Infrastructure has transitioned successfully over the past five years from a single market supply function to a long-term growth engine that has delivered increased volumes, capabilities and geographies.

Convenience Retail

Our Convenience Retail business manages a network of 708 sites to deliver fuel, lubricants and a range of convenience and essential products to more than three million customers every week.

3m

weekly customers

38%

market share, maintained by our market-leading fuel card, AmpolCard

708

controlled sites

7%

increase in like-for-like shop sales in 2020

Infrastructure and Distribution

Retail

Through new formats, products, technology and services, we are redefining what convenience means for Australians. Our national network of 708 controlled sites delivers customers a premium fuel and card offer through Amplify and AmpolCard, with a growing convenience offer that is unparalleled in the Australian market.

Over recent years, we have evolved our convenience offer to meet the changing needs of customers and to capture the growing market opportunity. This includes the introduction of our Foodary and Ampol Woolworths Metro formats, and partnerships with Uber Eats as well as quick service restaurant (QSR) partners such as Boost and Guzman y Gomez.



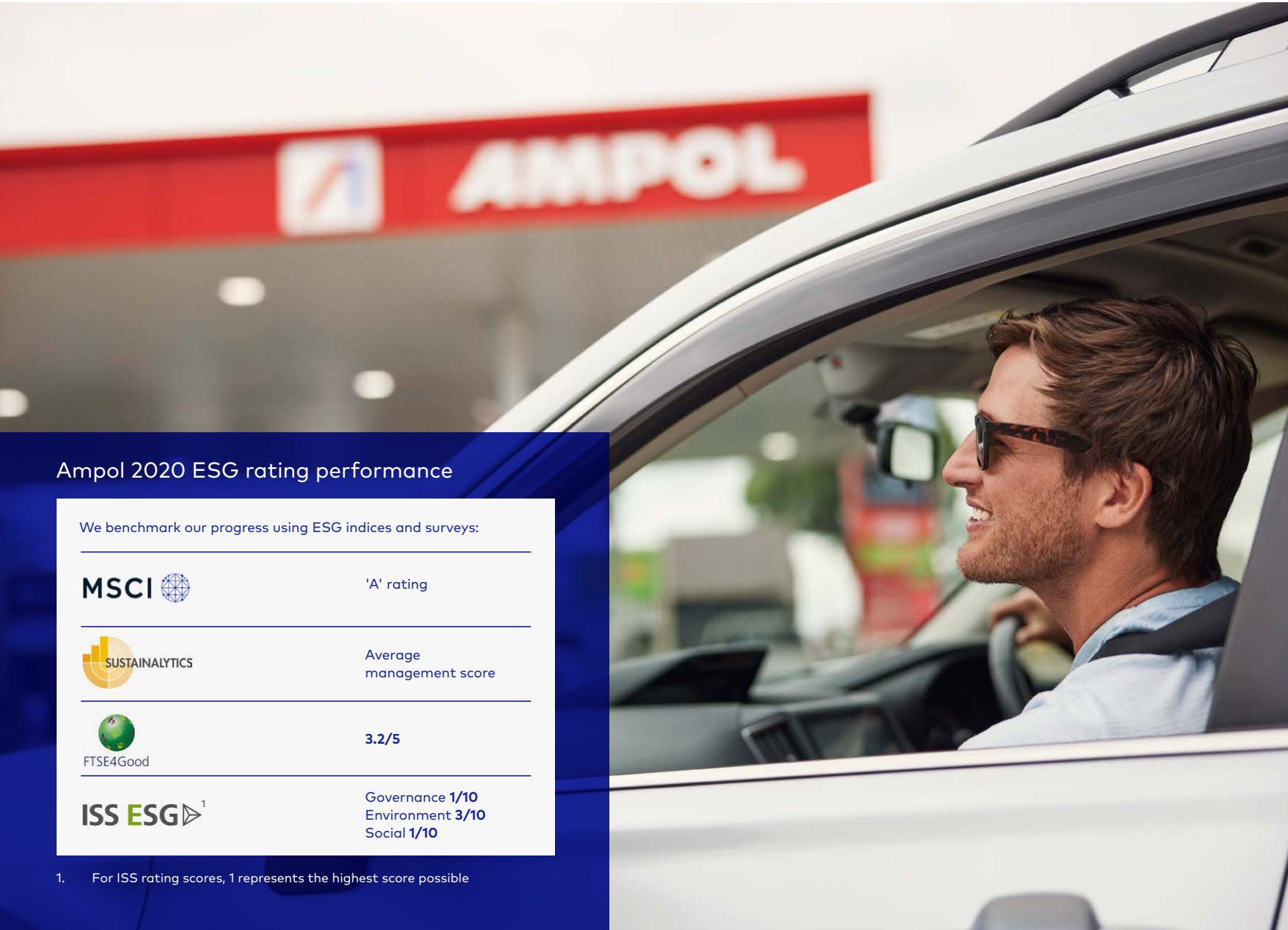
Our sustainability strategy

In executing our corporate strategy and delivering on our purpose, we recognise that we need to take a responsible and long-term view to delivering enduring value for our customers, shareholders, the community and our people

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Ampol 2020 ESG rating performance

We benchmark our progress using ESG indices and surveys:



'A' rating



Average management score



FTSE4Good

3.2/5



Governance 1/10
Environment 3/10
Social 1/10

1. For ISS rating scores, 1 represents the highest score possible

Our approach to sustainability and reporting

Our approach involves making sustainability core to decision-making at all levels in our business, and in a way that balances environmental, social and governance aspects with our broader strategic objectives.

We consider and align our approach with recognised practices and standards and feedback from our stakeholders on material matters. During the year, we became a signatory to the United Nations Global Compact.

We develop policies and plans to drive progress on our commitments. Key policies and plans include:

- Climate Change Position Statement
- Supplier Code of Conduct
- Diversity and Inclusion Policy
- Human Rights Policy
- Reconciliation Action Plan

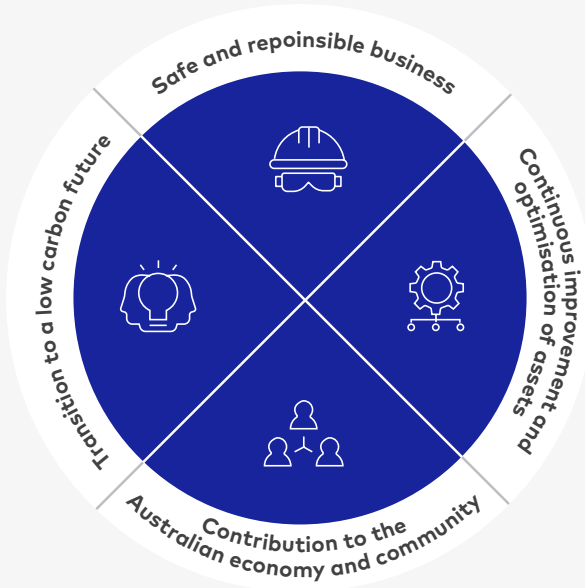


These documents can be found [here](#).



2019 – 2021 Sustainability strategy

In 2019 we prepared a three-year Sustainability Strategy, which informs and is an integral part of our broader corporate strategy. We have defined sustainability across four pillars.



Safe and reponsible business

Being safe and ethically responsible in how we do business. Developing and looking after our people to support the delivery of our strategy.

→ See page 13

Continuous improvement and optimisation of assets

Delivering operational excellence, utilising resources efficiently.

→ See page 21

Contribution to the Australian economy and community

Generating economic benefits for Australia and helping to develop communities in the areas we operate.

→ See page 24

Transition to a low carbon future

Future-proofing Ampol and supporting our customers in the transition to a low carbon future. Engaging with our key stakeholders including shareholders.

→ See page 30

UN Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) seek to address the most significant challenges our world is facing today and we believe businesses have an important role to play in helping to achieve the SDGs. We have mapped the SDG framework against our sustainability strategy and broader corporate strategy and identified six goals where we feel we can make the most meaningful impact. Refer to our 2020 Sustainability Datasheet and Appendix where we outline the positive contribution we have made in 2020, together with actions we are taking to mitigate impact.



- 4 **Quality Education** – Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- 7 **Affordable and clean energy** – Ensure access to affordable, reliable, sustainable and modern energy for all
- 8 **Decent work and economic growth** – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- 9 **Industry, innovation and infrastructure** – Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- 10 **Reduced inequalities** – Reduce inequality within and among countries
- 13 **Climate Action** – Take urgent action to combat climate change and its impacts



Industry collaboration

Ampol participates in a number of industry forums to contribute towards policy dialogue and development and help better inform our decision making. Participation also allows us to share ideas and experiences with our peers to help us to identify strategies to pursue opportunities and address the challenges our industry faces. We participate in many cross-industry associations and other business forums including:

- Global Compact Network Australia
- Australian Hydrogen Council
- Electric Vehicle Council
- Australian Institute of Petroleum
- Business Council of Australia
- Australian Industry Greenhouse Network
- Gas Energy Australia
- European Australian Business Council
- Carbon Market Institute



Sustainability governance

We believe that adopting a high standard of corporate governance is essential to sustainable long-term performance and value creation. Each year we prepare a Sustainability Plan that supports the delivery of our three year Strategy. Our Plan outlines targets and initiatives to be implemented during the year and metrics to measure ongoing performance. The governance structure we have put in place to support the delivery of our Sustainability Strategy is summarised below.

Ampol Board	Responsible for corporate governance policies and risk management including those relevant to sustainability. Approves policies for publication on the Ampol website, key sustainability initiatives and disclosures.	
Board Safety and Sustainability Committee	Monitors the effectiveness of Ampol's Sustainability Strategy and annual Plan on a quarterly basis. Monitors Ampol's sustainability reporting requirements, together with the management of sustainability risk.	
Ampol Leadership Team	Approves the Sustainability Strategy and annual Plan. Monitors progress of the Plan on a quarterly basis.	
Issue-specific management committees	Future Energy Steering Committee	Oversees the direction of Ampol's future energy strategy and initiatives, chaired by the EGM Commercial.
	Ampol Foundation Committee	The Committee is the primary decision-making body governing community investment decisions and activities.
	Diversity and Inclusion Council	Provide stewardship of our Diversity and Inclusion Strategy with representatives from across Ampol.
	Strategic Risk Committee	Oversees the management of strategic risks including climate-related risks.
Sustainability function	Works across the business to coordinate and support delivery of the Sustainability Strategy.	

Identifying and managing risk

We recognise that we are exposed to a range of strategic, operational, regulatory, compliance, socio-political and financial risks associated with operating our business. To appropriately and effectively manage risk, we have an enterprise risk management framework in place, supported by a three lines of defence governance structure that aligns with the *ISO 31000:2018 Risk Management* standard and the *ASX Corporate Governance Principles and Recommendations*.

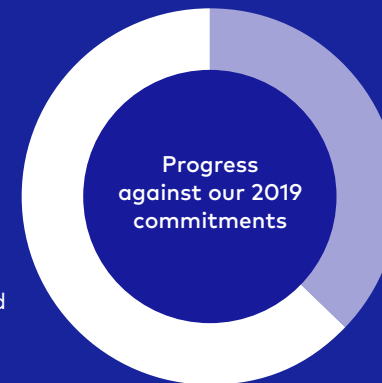
The Ampol Board oversees our enterprise risk management framework and is responsible for satisfying itself that management has developed and is implementing an effective risk management system. A summary of Ampol's material business risks and their mitigation plans are set out in the 2020 Annual Report.



2020 Sustainability performance

In our 2019 Sustainability Report we set annual public commitments to support the delivery of our Sustainability Strategy. Internally, we prepared a corresponding program of work to support the achievement of these commitments, with progress overseen by the Ampol Leadership Team and the Board's Safety and Sustainability Committee.

This year we have achieved or made good progress against the 19 commitments we set ourselves in 2019, some of which are medium term in nature and therefore progress is ongoing. Due to COVID-related impacts on our business we decided to delay two commitments until 2021.



✓
58%
● Achieved

→
42%
● In progress



Future sustainability commitments

We have made commitments to improve our performance across a number of key areas



Safe and Responsible business

Being safe and ethically responsible in how we do business. Developing and looking after our people to support the delivery of our strategy

Safety

1. Embedding our refreshed Operational Excellence Management System (OEMS) into the first line throughout 2021
2. Continued delivery of the Convenience Retail and Fuels and Infrastructure safety strategies

Gender diversity

3. At least 40% of senior leadership roles held by women by 2022
4. Make tangible progress towards eliminating our gender-based pay differences on a like-for-like job level basis, shifting our pay equity difference to <1.2% for like-for-like roles by 2022

Wellbeing

5. Strengthening the Ampol wellbeing strategy to deliver a structured and coordinated focus across the business in 2021

Ethical business practices

6. Review and update of the Ampol Code of Conduct and Ethical Business Policy in 2021



Continuous improvement and optimisation of assets

Delivering operational excellence, utilising resources efficiently

Energy

7. In 2021, development of an energy management plan to drive energy efficiency improvements across the business including the setting of Key Performance Indicators to monitor asset energy performance



Contribution to the Australian economy and community

Generating economic benefits for Australia and helping to develop the communities in the areas we operate

Supporting communities in need

8. Relaunch of our employee giving program, 'Fuelling Change', targeting an improvement in employee participation in our community partnership programs (volunteering hours and employee giving) by 10% in 2021
9. Execution of partnerships through the Ampol Foundation, including with The Smith Family, Surf Life Saving Australia, Clontarf Foundation and Stars Foundation, with a 10% increase in total contribution to community investment in 2021
10. Delivery of the Ampol Best All Rounder Program, reaching almost 2,000 schools in 2021
11. Development and delivery of our second Reconciliation Action Plan
12. Increase the employee population who identify as Aboriginal and Torres Strait Islander peoples to 3% by 2022 (Australian workforce only)



Transition to a low carbon future

Future-proofing Ampol and supporting the transition to a low carbon future. Engaging with our key stakeholders including shareholders

Energy transition and decarbonisation

13. Launch of Ampol's Future Energy and Decarbonisation Strategy including operational carbon targets in 2021
14. In 2021, development of an Integrated Assessment Model to establish views on Australian energy system, mix and transition to support strategic planning and climate risk management
15. Further integration of climate considerations into Ampol's capital allocation and business case frameworks





2020 Our strategy in action
Safe and responsible business

Our goal is to continually improve the standard of safety across our business

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Safe and responsible business

Continuous improvement and optimisation of assets

Contribution to the Australian economy and community

Transition to a low carbon future

 <p>Personal Safety</p> <p>Total Recordable Injury Frequency Rate</p> <p>4.6 Fuels and Infrastructure</p> <p>10.1 Convenience Retail</p>	 <p>Environment</p> <p>0 major spills (>8000L)</p> <p>4 minor spills (>160L<8000L)</p> <p>0 marine spills (any volume)</p>	 <p>Process Safety</p> <p>0 Tier One events</p>	 <p>Employee Engagement</p> <p>76% Employee engagement score</p>	 <p>Diversity</p> <p>42.8% Overall female representation</p> <p>37.7% Female representation at leadership level</p> <p>1.8% Gender pay difference (like-for-like roles)</p>
<p>Days Away from Work Injury Frequency Rate</p> <p>1.1 Fuels and Infrastructure</p> <p>4.8 Convenience Retail</p>	<p>0 Category 2 environmental events</p> <p>1 Category 3 environmental event</p>	<p>1 Tier Two event</p>		

Safety

We recognise that a systematic approach to managing operational excellence is critical to sustaining our performance and culture over the long term. This in turn provides a strong foundation for improving and growing our business. Our Operational Excellence Management System (OEMS) provides the structure and minimum expectations to manage risks and compliance responsibilities effectively. We have a systematic approach to driving improvements in Operational Excellence over time and following the five steps on this page.

Vision and objectives	An Operational Excellence (OE) vision is established, or validated, and specific objectives and measures for success are identified and cascaded to the workforce.
Assessment	A comprehensive OEMS self-assessment is completed periodically to identify and prioritise gaps in OE processes and performance against established objectives.
Planning	A plan is developed to manage the prioritised gaps. Plans are incorporated directly into business plans and accountabilities are assigned.
Implementation	Planned actions are implemented along with other business plan activities. OE networks are engaged to share lessons learnt and seek out best practices and processes that can be adopted to achieve plan objectives.
Review	An annual review of all OEMS activity is conducted to evaluate progress on performance and identify necessary adjustments to plans to achieve the OE visions and objectives.





2020 Safety performance

Fuels and Infrastructure

During the year Fuels and Infrastructure have seen a 60% reduction in recordable injuries and a 70% reduction in days away from work injuries. The results reflect a concerted effort and focus through targeted strategies and fit for purpose initiatives and campaigns led by management, supervisors and embraced by frontline teams. These results were achieved during a period of disruption due to COVID-19 and an extended Turnaround and Inspection shutdown at the refinery which is recognised as a time of enhanced risk.

Specific actions during the year included campaigns focussed on manual handling and the prevention of slips, trips and falls together with the introduction of physiotherapy triage. Leaders took an active role in reinforcing behavioural observations and in promoting use of the Ampol tools to prevent loss and keep everyone safe. This included the development of a manual handling observation and working with key carriers and contractors to train and develop the skills in using the common tools.

Convenience Retail

In Convenience Retail, we continued to work towards improving our safety culture with a focus on reducing the number of safety incidents and unsafe behaviours, whilst improving safety leadership engagement at our sites. We have seen an overall improvement of the Total Recordable Injury Frequency Rate (TRIFR) since 2019, achieving 10.1 for the period (reflecting a 28% reduction since last year) which was below the internal target we set ourselves.

The number of recordable injuries reduced from 2019, with injuries being predominantly lower consequence in nature. The majority of incidents related to slips and trips, falls and manual tasks occurring when people were performing everyday tasks, highlighting the criticality of safety culture. Specific actions that occurred throughout the year included:

- Continued Safety Leadership inspections from our senior management driving appropriate safety behaviours and positive culture within our store teams
- Roll out of a Safety Blackspot Program throughout our Convenience Retail network with a focus on areas of high frequency incidents

- Updated procedures and basic equipment review within our Kitchen Sites to assist in a reduction of burn and laceration incidents
- Simplification of processes to enhanced safety controls and reduce frequency of manual handling
- Implementation of a security risk framework remediation plan to strengthen security controls

Regrettably, a team member within Convenience Retail was involved in a Category 2 safety incident and sustained a crush injury to his finger whilst assisting a customer with a flat tyre. A full investigation of the incident was undertaken and although the incident causation came from our team wanting to make a positive difference for our customer, our policy stipulates that our people are not to provide mechanical assessments or assistance. Consequently, we issued a Hazard Alert to all stores nationally to remind our people of this and prevent any repeat of incidents of this nature occurring again.

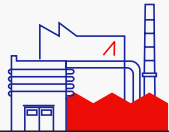
Safe and responsible business

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Safety performance data



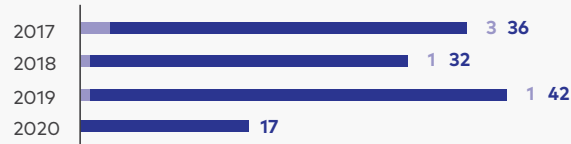
Fuels and Infrastructure



Convenience Retail



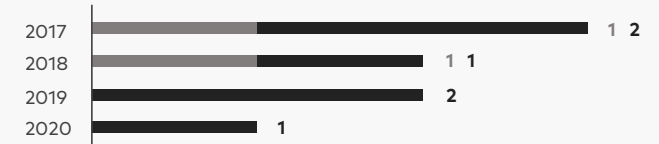
Process safety³



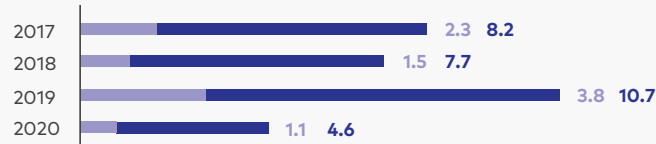
- Total Recordable Injuries
- Category 2 severity injuries



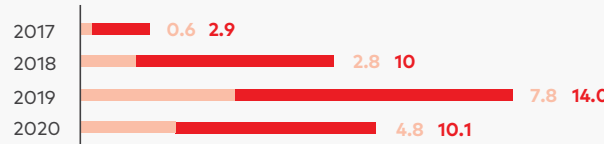
- Total Recordable Injuries
- Category 2 severity injuries



- Tier One event
- Tier Two event



- Total Recordable Injury Frequency Rate¹
- Days Away from Work Injury Frequency Rate²



- Total Recordable Injury Frequency Rate
- Days Away from Work Injury Frequency Rate

1. Total number of occupational injuries per one million hours worked. Occupational injuries include an injury requiring days away from work, restrictions in the work performed or medical treatment
2. Total number of days away from work per one million hours worked. Days away from work is defined as the number of days a worker is certified by a physician to be unfit to perform normal duties, starting from the day after the incident occurred
3. A process safety incident is an unplanned or controlled loss of primary containment or any material including non-toxic and non-flammable materials from a process or an undesired event or condition. Process safety events are classified as Tier 1 of greatest consequence or Tier 2 of lesser consequence





Ampol wellbeing month

We launched our inaugural 'Ampol Wellbeing Month' in 2020 aimed at promoting and supporting employee wellbeing. This was particularly important and relevant for our people as many continued to work from home and deal with the challenges that COVID-19 presented. Led by members of our leadership team each week had a different focus:

1. **Healthy eating** – sharing of ideas on healthy eating habits and the importance of a balanced diet
2. **Mental health** – tips on staying connected and daily mindfulness sessions for our employees to attend
3. **Physical health** – ideas and experience of balancing work and keeping fit while having fun
4. **Social wellbeing** – staying connected with teams ensuring everyone feels included

We also launched our Wellbeing Hub during this month, providing our people with a wealth of resources and information to take care of their wellbeing. We also reminded our people of our Employee Assistance Program, a confidential service providing them with free, confidential and professional support.

COVID-19 response

Our approach to business continuity and crisis management has been tested in 2020 by the COVID-19 pandemic. Since early March our Crisis Management Teams and plans have been activated with the key two objectives of keeping our people, our customers and the community safe and healthy and to maintain our operations and assets to continue to deliver for our customers and communities.

Across our retail network we adopted stringent protocols to mitigate infection risks. This includes complying with changing regulatory requirements and investing in the necessary controls to support team and customer health and safety.

We have developed COVID-safe training, implemented alternate rosters to limit employee cross over, reinforced hygiene standards, increased sanitation at 'high touch' surfaces and have provided Perspex screens at our checkout points.

Over the year our people have demonstrated resilience and an ability to adapt to where and how we work. For team members with the ability to work remotely, we've improved our use of Microsoft Teams to hold meetings and leveraged technology to be more flexible. Team members that have worked on the front line have been supported with additional COVID-19 leave where required.



Environmental management

Protecting the environment is central to our social licence to operate. We recognise that we need to apply the same strong focus to the environment as we do to bringing our people home safely every day.

During the year we have continued the delivery of our group-wide environmental management governance framework, with the objective of aligning our business operations with the principles set out in the *ISO14001:2015 Environment Management Systems* standard and improving our performance over time. Key focus areas at the group level include:

- Enhancing the capturing and reporting of environmental performance data across our business
- Delivering environmental legal obligation training to the Ampol Leadership Team
- Preparation of guidance materials for leadership team members when undertaking site visits to improve understanding of environmental risks that are present on our sites

2020 Environmental performance

During the year, we recorded one Category 3 environmental event as a result of a leak from an underground tank located at one of our Australian Capital Territory (ACT) retail sites. The product from the tank reached the underlying water table, with this contamination then dispersing both on and off the site. A detailed investigation was carried out independent of our operational team to identify the root cause of the incident and potential actions that could be taken to prevent an incident like this happening again.

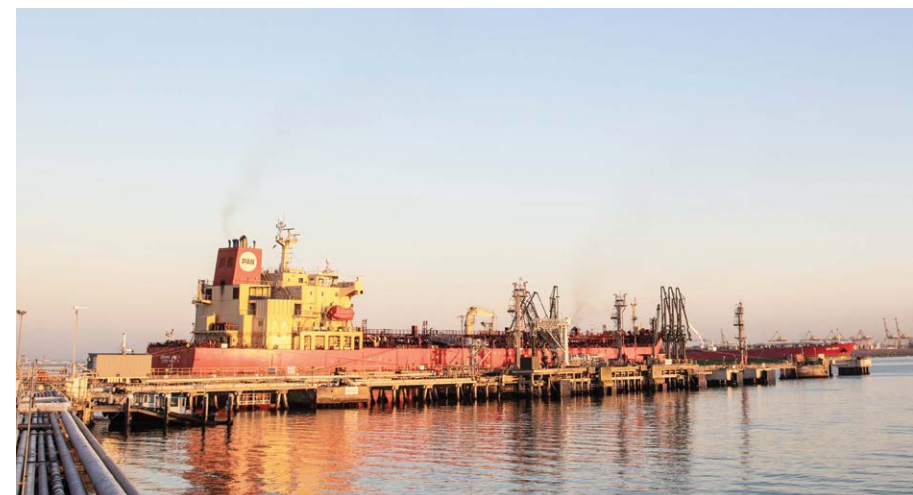
An environmental site assessment has been carried out to determine the nature and extent of contamination and a remediation action plan put into place. In addition, based on recommendations made in the investigation a comprehensive improvement program has been implemented including:

- Review and updating of our Underground Petroleum Storage System (UPSS) risk model to ensure adequate controls are put into place commensurate with the level of risk for each underground tank
- Implementing initiatives to improve control effectiveness, including more frequent Statistical Inventory Reporting Analysis (SIRA) reporting, proactive Equipment Integrity Testing (EIT) and roll out of Automatic Tank Gauging (ATGs) across our network

PFAS

Per- and poly-fluorinated alkyl substances (PFAS) are manufactured chemicals used to make products resistant to heat, stains, grease and water. PFAS chemicals are persistent in the natural environment and can accumulate over time resulting in a negative impact on animals, plants and water streams.

In Australia, both the Queensland and South Australian governments have introduced legislation requiring the transition to non-bio persistent firefighting foams. In response, we have developed plans to transition away from PFAS-containing firefighting foams and manage legacy contamination associated with historical PFAS foam usage on Ampol sites. To date, we have made good progress in the transition, replacing >50,000 litres of PFAS firefighting foam stocks. We have been actively involved in the testing of replacement products and have undertaken assessment of legacy contamination in accordance with the PFAS National Environmental Management Plan (NEMP). We will continue to engage proactively and routinely with relevant regulatory agencies, global industry bodies and external stakeholders as we transition away from PFAS while continuing to ensure the fire safety of our people, assets and the communities in which we operate.



Total numbers	2017	2018	2019	2020
Major spill >8,000L	1	0	0	0
Minor spill >160L <8,000L	8	5	5	4
Marine spills (any quantity)	0	0	3	0
Category 2 Environmental event ^{1,2}	n/a	n/a	n/a	0
Category 3 Environmental event ³	n/a	n/a	n/a	1

1. Incident resulting in short-term environmental harm and remediation effort (>1 week <3 months)
 2. Capturing and reporting of Category 2 and 3 environmental events commenced in 2020
 3. Incident resulting in medium to long-term environmental harm and remediation effort (>3 months)



Crisis and continuity management

To ensure our operations remain resilient and we continue to deliver for our customers, we are enhancing our resilience plans to minimise disruption for a range of hazards that could potentially impact our business. These plans are being built on the strong foundation of our well planned and tested Incident Management and Emergency Response strategies currently in place, together with education and training we currently provide to all levels of our business including board members.

We are looking at ways to enhance our approach and have identified key areas for improvement that will further build resilience in our people, simplify processes and more effectively allocate and manage the resources required during a disruptive event. Our approach is based on international best practice standards, utilising the Prevent, Prepare, Respond and Recover framework. We also provide thought-leadership to the Australian government on building a resilient nation via its Resilience Expert Advisory Group.

People and culture

We recognise the critical role our culture plays in executing our strategy and delivering on our purpose. In 2020 we have undertaken work to understand our level of employee engagement, cultural strengths, and areas to focus on, to help us improve the way we work and to enhance performance through our culture. The delivery of a Culture and Engagement survey has allowed us to baseline where we are today and to define the cultural traits and initiatives which will enable the ongoing successful delivery of our strategy.

Diversity and inclusion

To help create an inclusive work environment, we recognise and celebrate a number of cultural days and events including NAIDOC Week, Wear it Purple, Close the Gap and National Reconciliation Week. These celebrations are often led by our 'Women in the Fuels Industry' (WIFI), 'Indigenous Trailblazers' and 'Rainbow Alliance' employee working groups and supported by our Diversity and Inclusion Council.

In acknowledgement of our focus on gender equality we have been recognised by WGEA Employer of Choice for Gender Equality for the 5th year in row. We were also ranked 26th on Equileap's Global Top 100 gender-equal companies.



Acknowledgment of Country

To mark the first day of National Reconciliation week, our Lytton Refinery unveiled an Acknowledgement of Country plaque to acknowledge the Traditional Owners of the land where Lytton is located, the Quandamooka people. The plaque delivers on one of Ampol's Reconciliation Action Plan (RAP) actions to work with Traditional Owners and Land Councils to display Acknowledgement of Country plaques at key Ampol sites.



Rainbow Alliance

Our employee working group, the Ampol Rainbow Alliance (ARA), has continued to embrace and promote support for the LGBTQ+ communities within Ampol and beyond. The ARA aims to ensure Ampol is a safe space for all and to bring the LGBTQ+ community and its allies together to learn, develop and support all to achieve their full potential. They have developed an action plan of initiatives using the guiding principles of awareness, education and inclusion.

Through their work, Ampol is now a proud member of Pride in Diversity, Australia's first and only national not-for-profit

employer support program for all aspects of LGBTQ+ workplace inclusion.

The ARA proudly supported Sydney Gay & Lesbian Mardi Gras, IDAHOBIT, Wear it Purple Day, and World AIDS Day amongst other days of significance through various awareness campaigns and virtual events.

In 2021, the ARA will continue to drive the initiatives detailed in their action plan to raise awareness, provide education and increase inclusivity, and will be submitting our first-ever submission to the Australian Workplace Equality Index (AWEI) in Q1 2021.

Respecting human rights

We support fundamental human rights and the prevention of modern slavery and human trafficking.

We have developed a Human Rights Policy and framework, with this overseen by the Ampol Leadership Team. In response to our obligations under the *Modern Slavery Act 2018* (Cth), we have mapped our supply chain, undertaken a high-level modern slavery risk assessment as well as a prioritisation exercise for high risk areas in our supply chain. We have delved into the risk areas which we have identified as top priorities and introduced steps to assess and address modern slavery risk within our operations and supply chain. These include risk assessments, supplier engagement, training and strengthening grievance mechanisms.

Ampol is committed to continuous improvement and will be coordinating effective internal and external reporting to keep all relevant stakeholders informed on Ampol's human rights obligations and policies. Our first Modern Slavery Statement will be published in 2021.

2020 Planned actions and performance

Delivering improvements in security and resilience including business continuity and crisis management	✓ ● Achieved
Development and execution of an Occupational Health & Wellness strategy	→ ● In progress
Delivery of a Corporate Environment Strategy focused on enhancing Ampol's second line of defence	✓ ● Achieved
Integration of ESG principles and Supplier Code of Conduct into Ampol's Source to Contract process, including supplier risk assessments	→ ● In progress
Further embedding of ESG/climate change considerations into the business planning process	→ ● In progress
Delivery of a Fuels and Infrastructure Spill Prevention program, increasing our focus on engineering solutions, process and behaviours	✓ ● Achieved
Delivery of Fuels and Infrastructure Safety Improvement Plan focusing on the engagement of frontline leaders	✓ ● Achieved
Delivery of the Convenience Retail Safety Strategy to drive improved performance across the key areas of safety leadership, systems and processes, wellness and risk management	✓ ● Achieved



Future priorities

Our future focus areas and commitments are outlined below:

Safety

1. Embedding our refreshed Operational Excellence Management System (OEMS) into the first line throughout 2021
2. Continued delivery of the Convenience Retail and Fuels and Infrastructure safety strategies

Gender diversity

3. At least 40% of senior leadership roles held by women by 2022
4. Make tangible progress towards eliminating our gender-based pay differences on a like-for-like job level basis, shifting our pay equity difference to <1.2% for like-for-like roles by 2022

Wellbeing

5. Strengthening the Ampol wellbeing strategy to deliver a structured and coordinated focus across the business in 2021

Ethical business practices

6. Review and update of the Ampol Code of Conduct and Ethical Business Policy in 2021





2020 Our strategy in action

Continuous improvement and optimisation of assets

To deliver on our strategy we recognise that we need to continually improve the way we operate our assets, to drive efficiencies, coupled with the effective management of risks and opportunities over the long term

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2,489,358

KL water consumed

54%

from recycled or reused sources

11,613 tonnes solid waste

7,569 KL liquid waste generated

48 % diverted from landfill
(recycled or reused)

Total GJ consumed

192,039,944

101.4

Lytton Refinery Energy Intensity Index

Energy efficiency

We recognise that our operations require a large amount of energy and we continue to undertake assessments to identify cost-effective initiatives to reduce our use. Lytton refinery constitutes the largest component of our energy footprint, comprising 99.6% in the FY20 financial year.

We have continued to deliver energy efficiency projects and operational optimisation opportunities at Lytton refinery including the upgrading of analysers on furnaces and the reinstatement of steam raiser economisers.

In 2021 we will be developing an energy management program, focusing on improving energy efficiency across our assets as well as increasing the use of renewable energy when it is commercially viable to do so.

Water efficiency and addressing water scarcity

We recognise that we have a responsibility to effectively manage our use of water and minimise impact on water resources. This is particularly critical given the ongoing drought risk for many parts of Australia. Lytton refinery constitutes the largest component of our water use, comprising 80% in 2020. Whilst the refinery requires a large amount of water, approximately 67% of its water use is recycled water sourced from an external wastewater treatment plant or is reused condensate used to generate steam.



Energy consumed (GJ)

	FY18	FY19	FY20
Kurnell	67,265	82,657	69,982
Lytton	252,059,387	233,561,572	191,309,229
Convenience Retail	247,076	338,695	396,930
Other	487,419	455,579	263,803

Water use (KL)

	2019	2020
Potable	1,164,398	1,146,982
Recycled + reused	1,925,239	1,342,376
Total consumption	3,089,637	2,489,358



Waste minimisation

We strive to find ways to reduce waste and improve resource efficiency, from design through to operating practices. We seek innovative solutions to reduce, reuse and recycle.

2020 waste volumes

	Recycled or used		Landfill	
	2019	2020	2019	2020
Hazardous waste – liquids (KL)	3,695	3,002	4,570	4,567
Hazardous waste – solids (tonnes)	13,564	1,490	5,528	2,705
Non-hazardous waste – solids (tonnes)	1,752	1,745	6,254	5,673



2020 Planned actions and performance

Implementation of energy efficiency and operational optimisation program at Lytton Refinery, including O² analyser upgrade

✓ ● **Achieved**

Review packaging and use of plastics used in our retail network to identify cost-effective alternatives, together with opportunities to reduce waste to landfill

→ ● **In progress**



Future priorities

Our future focus areas and commitments are outlined below:

Energy

- 7. In 2021, development of an energy management plan to drive energy efficiency improvements across the business including the setting of Key Performance Indicators to monitor asset energy performance





2020 Our strategy in action

Contribution to the Australian economy and community

As a proud and independent Australian company, we are committed to being a positive contributor to communities and using our network and employee base to improve the lives of all Australians

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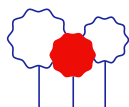


Economic benefits

\$15,730m
direct economic value generated

\$7.5b
taxes paid 2019 (from 2020 report)

\$14,241m
spent with suppliers



Supporting community

\$2.47m
community investment contributions via Ampol Foundation

Supporting the education of more than

12,080 children¹

Australia's

Top 20

Best Workplaces to Give Back recognition

Our revitalisation as Ampol has renewed our focus on communities in 2020 and provided an opportunity to ensure our activities have proven social impact, make a meaningful difference and align with our new company purpose of *Powering better journeys, today and tomorrow.*

Powering better journeys for young Australians

At Ampol, we are passionate about championing education and employment opportunities for Australia's youth, and have made this a major focus of the Ampol Foundation in 2020. We believe that investment in youth development and education has a long-lasting impact on broader society.

In 2020, we announced a new partnership with The Smith Family, which together with Stars Foundation, our long-term partner in Clontarf Foundation and the Ampol Best All Rounder program, we now support the education of more than 12,080 children¹ across Australia.

1. Clontarf Foundation: 9,000; Stars Foundation: 1,000; The Smith Family: 480; Ampol Best All Rounder: 1,600

The Smith Family

In October 2020, Ampol announced a new partnership with The Smith Family. As Australia's leading children's educational charity, The Smith Family helps young Australians in need to succeed at school, so they can create better futures for themselves.

Through our partnership, we are investing directly in the Learning for Life program, which provides young Australians experiencing disadvantage with the extra tools and support they need to stay at school and go onto further study or work. We are also supporting The Smith Family through fundraising activities and engaging our employees in volunteering and other programs, such as iTrack mentoring.



Case study

Surf Life Saving Australia

Our partnership with Surf Life Saving Australia will see the Ampol brand on the sleeve of the iconic surf lifesaving patrol shirt on beaches across the country. The new partnership, announced in December 2020, sees these two iconic Australian brands join forces to help deliver safer beaches and to save lives.

In addition to branding on patrol shirts, the new partnership will see Ampol have a presence at major surf lifesaving events, including the Coolangatta Gold and the Australian Surf Life

Saving Championships. Through our retail network we will also help share surf and water safety messages nationally.

Australians will start to see the Ampol logo on surf lifesaving uniforms in early 2021, with the full partnership to commence at the start of the 2021 surf lifesaving season.



Ampol best all rounder

1,600+
Schools participation in 2020

We were pleased to see the successful delivery of the 35th year of Australia's most iconic secondary education recognition program in 2020. The Ampol Best All Rounder Award celebrates the leaders of tomorrow.

The objective of the Ampol Best All Rounder program is to recognise the students that set a positive example for their school and make an exemplary contribution to their wider community.

During these unprecedented circumstances, with the onset of COVID-19, we believe recognising leadership and a community spirit is more important than ever, and we were pleased to see more than 1,600 schools participate in 2020.

Stars Foundation

Stars Foundation supports and enables Aboriginal and Torres Strait Islander girls and young women to make active choices towards realising their full potential. In 2020, Stars supported approximately 1,000 young women in 17 partner schools in the Northern Territory, Queensland and Victoria. Growth in 2021 is expected to see over 2,500 students in Stars programs and expansion to Western Australia.

Our support of Stars delivers on our Reconciliation Action Plan commitment to support an organisation that focuses on empowering and supporting Aboriginal and Torres Strait Islander young women to better balance our support for both genders, as well as delivering on our belief that education changes lives.

Since the Stars Foundation started six years ago, remarkable improvements in outcomes amongst participants have been seen.

In 2020, Stars supported approximately

1,000 young women

Growth in 2021 is expected to see over

2,500

students in Stars programs and expansion to Western Australia

Clontarf Foundation

The Clontarf Foundation exists to improve the education, discipline, life skills, self-esteem and employment prospects of young Aboriginal and Torres Strait Islander men, and by doing so equips them to participate more meaningfully in society.

Ampol has been supporting Clontarf Foundation since 2011 and over this time, the support provided by Ampol has assisted the Clontarf program to grow from 2,000 participants to almost 9,000 at the end of 2020. This has included national expansion into the states of New South Wales, Queensland and South Australia.





Australian bushfire crisis

Between employee fundraising and maintaining fuel supply to isolated towns, Ampol played an important role in supporting communities during the 2019–2020 Australian bushfire crisis.

Supplying fuel to communities and emergency services

In late 2019, we assembled a specialist team to coordinate logistics and communications across affected regions to ensure the business could maintain fuel supply to communities impacted by the bushfires and keep service stations operating to support emergency services and locals.

Over the course of the crisis our service stations supported a variety of needs, including fuel for evacuating residents, essential grocery items to those stranded, fuel to support firefighting activities and fuel for power generators in cut-off areas where fires had destroyed electrical infrastructure. This included the emergency supply of fuel to Mogo Zoo to keep its generators running.

Importantly, we coordinated with the Australian Defence Force in providing fuel to support its strategic planning and operations across the regions, including the rescue of stranded residents on Mallacoota beach by providing diesel for the Navy vessels. Ampol's support to emergency services incorporated coordinating with state governments and

emergency services on fuel availability and access to impacted regions, quarantining fuel at our service stations for emergency services and providing jet fuel for firefighting aircraft. This included setting up a jet fuel refuelling station near Canberra for planes involved in the bushfire response.

Our ability to maintain fuel supply as an essential service throughout this period is a result of the strength of our existing supply chain, strong relationships with government and emergency services and the commitment of employees and distributors on the ground.

Monetary and in-kind support

Ampol also provided support to bushfire-affected communities by way of funds and in-kind support to charitable organisations and emergency services.

We donated \$25,000 of AmpolCash to the New South Wales Rural Fire Service to reach volunteers, and emergency services were offered free coffee, water, pies and sausage rolls at our stores.

Our employees got involved with Ampol's bushfire giving fund, where we committed to double-matching every donation made by an employee. Together, employees donated more than \$48,000, which totalled to \$144,000 for charity when double matched by Ampol.

Our retail employees got involved by running a fundraising program from our stores, which collected more than \$38,000 for Red Cross' Disaster Recovery Fund. These initiatives, combined with other volunteering and fundraising activities, led to a total contribution of over \$215,000 for bushfire support.

\$25,000

AmpolCash donated to the New South Wales Rural Fire Service

\$215,000+

Total contribution for bushfire support





Being a positive contributor

In 2020, as we revitalised the Ampol brand and reaffirmed our commitment to communities, we enabled our employees to engage with social issues and organisations that are important to them.

This was launched through our inaugural Positive Contributor Day held in October 2020 as part of the internal launch of Ampol. The purpose of the day was to bring one of our six company values, Never Stop Caring, to life by supporting employees to give back to their local communities.

On Positive Contributor Day, employees were encouraged to take a day off from work and donate their time to a charity or community group of their choice, while our retail network conducted a fundraising effort that raised more than \$40,000 for The Smith Family.

Some of the activities our employees got involved with included:

- Employees at our Lytton refinery worked with Moreton Bay Foundation to collect rubbish from local waterways to help regenerate the shellfish population in the Bay;
- A team from our Perth office volunteered at their local RSPCA;
- A group of Sydney employees volunteered at the Children's Cancer Institute's Endure for a Cure, where over 200 people rode bikes for six hours to raise funds for childhood cancer research; and
- Employees conducted a raffle for Triple Eight racing team memorabilia, raising an additional \$1,700 for The Smith Family.

Ampol named in Top 20 Best Workplaces to Give Back in 2020

In 2020, Ampol was honoured to be ranked 20th in Australia's Top 40 Best Workplaces to Give Back.

The list, an initiative of Good Company, recognises businesses that, despite being in the first recession in three decades, continue to demonstrate responsible leadership and support employees to give back to local communities.

Ampol was recognised for its support of non-profit organisations, volunteer leave, payroll giving program, Ampol Best All Rounder program and our actions to support affected communities during the 2019–2020 Australian bushfire crisis.

\$40,000+

Fundraised for The Smith Family on Positive Contributor Day

Raffle for Triple Eight racing team memorabilia, raising an additional

\$1,700

Fundraised for The Smith Family on Positive Contributor Day



Case study

Support to succeed: Quynhi's story

"It's been just me, my younger brother, mum and grandma. When I was 10, my mum was diagnosed with a brain tumour. It was all a bit much for her, so my grandmother sent me and my brother to Vietnam to live with our extended family. We spent six months overseas. When we came back, I was super behind in school. That's when all the trouble started.

I became involved with The Smith Family in Year 7. I was falling behind, and with mum not being able to work anymore and my grandma being retired, we didn't have much family income.

I never really caught up at school until I started going to Learning Club. I would go twice a week. It really helped me catch up. Emotionally, I noticed the impact of Learning Club straight away.

It was an escape from everything that was going on at home. It wasn't until The Smith Family was involved that we had the income to be able to fund things like excursions and schools camps for my brother and I.

I'm the first to go to university in my family. I'm super happy with what I've achieved, and my family is really proud of me."

*Quynhi,
Learning for Life graduate*

"Without The Smith Family, I would still be behind. I wouldn't have been able to do the uni course that I wanted to do."

- Quynhi



2020 Planned actions and performance

Develop a refreshed Group Community Strategy, focussing on community investment, employee engagement and volunteering, site-based community engagement and partnering activities	✓ ● Achieved
Implementation and development of our second Reconciliation Action Plan	→ ● In progress
Optimise ethical sourcing and healthy food range across our retail network	✓ ● Achieved



Future priorities

Our future focus areas and commitments are outlined below:

Supporting communities in need

- Relaunch of our employee giving program, 'Fuelling Change', targeting an improvement in employee participation in our community partnership programs (volunteering hours and employee giving) by 10% in 2021
- Execution of partnerships through the Ampol Foundation, including with The Smith Family, Surf Life Saving Australia, Clontarf Foundation and Stars Foundation, with a 10% increase in total contribution to community investment in 2021
- Delivery of the Ampol Best All Rounder Program, reaching almost 2,000 schools in 2021
- Development and delivery of our second Reconciliation Action Plan
- Increase the employee population who identify as Aboriginal and Torres Strait Islander peoples to 3% by 2022 (Australian workforce only)





2020 Our strategy in action
Transition to a low carbon future

We acknowledge that climate change is affecting a wide range of businesses and industries across the globe, with this presenting both financial risks and opportunities

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We also recognise that our customer's expectations are constantly evolving and we need to work actively with them to understand their future needs and identify lower emission solutions.

Climate change considerations for our business

We are committed to publishing climate disclosures in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In 2019, we undertook a qualitative assessment to determine those physical and transitional climate risk most relevant to our business; with this work aiming to better inform our strategic and business decision making.



Those risks relevant to our business are outlined in the table on this page.

Building on this work, this section provides an update on how we have further integrated management of climate change into our financial and strategic planning processes and our performance against the recommendations of TCFD.

Climate-related Risk Definitions

Transition risks relate to changes in policy, law, markets and technology that are necessary for the transition to a low carbon economy.

Physical risks stem from the direct impact of climate change on our physical environment, such as resource availability, supply chain disruption and damage to assets from severe weather.

Risk type	Description	Time Horizon
Transitional	Fossil fuel product redundancy Reducing demand for Ampol's products due to technology advances including the introduction of EVs, shifting market conditions and consumer preferences and policy changes that incentivise lower emission transport modes including alternative fuels.	Medium to long-term
Transitional	Asset impairment Ampol's assets such as the refinery, terminals and retail sites not realising their full value due to reduced demand for fossil fuel products.	Medium to long-term
Transitional	Financial market policy and regulation Increasing risk of shareholder divestment as asset managers take account of climate risk into decision-making, increasing market regulation resulting in reduced access to and increased cost of capital.	Medium to long-term
Transitional	Carbon pricing The introduction of a domestic carbon pricing mechanism or other similar instrument that results in a liability for Ampol for its operational emissions.	Medium to long-term
Physical	Supply disruption Extreme weather events causing supply disruption to sites and customers.	Short, medium and long-term
Legal/ reputation	Litigation and activism Increased risk of litigation and shareholder activism for failing to respond to the impacts of climate change.	Short, medium and long-term
Legal/ reputation	Reputational Failure to meet community and employee expectations to address climate change, resulting in the loss of social license to operate.	Short, medium and long-term

Time horizons

- Short-term 0 – 3 years
- Medium term 3 – 10 years
- Long term 10 – 30 years.

Pillar	Activity	Progress
Reducing risk	Introduction of an internal carbon price for investment and strategic decision making	✓ Carbon price incorporated into Ampol's capital investment framework. From 2021, commence broad application of carbon pricing as part of investment decision-making.
	Enhanced transparency and reporting on climate-related risks and opportunities	→ Undertaken climate scenario analysis and released climate disclosures aligned with the TCFD framework. Modelling and disclosure of Scope 3 emissions.
	Embed physical climate risk considerations into our planning processes	✓ Physical climate risk considerations incorporated into Ampol's Operational Excellence management standards.
	Incorporate climate risk considerations into business planning and strategic decision-making processes	→ Development of an Integrated Asset Model to support strategic planning, incorporating various climate scenarios for ongoing stress testing of business strategy. Further integration of climate considerations into capital allocation and business case frameworks scheduled for 2021.
	Active engagement with stakeholders including meeting with shareholders to explain our approach	→ Dedicated ESG sessions held with investors during 2020 with future engagement sessions planned.
	Gaining climate risk insights to better understand potential vulnerabilities to our business strategy including policy, market and technology developments	→ Continued surveillance of current and emerging climate-related externalities and investigation of those issues that may result in financial impacts for Ampol.
Enhancing value	Development of an energy transition strategy focusing on business portfolio diversification opportunities including alternative fuels and the broader energy sector	→ Development of a Future Energy Strategy to build the foundations for energy transition, leveraging the strength of our assets, customer positions and capabilities.
	Consideration of climate change performance metrics for relevant personnel as part of broader remuneration strategy	→ Decarbonisation metrics being incorporated into Ampol's refreshed remuneration strategy.
Corporate responsibility	Reduce operational carbon emissions inclusive of energy efficiency programs	→ Setting of business unit energy efficiency targets and supporting programs being established.
	Introduce more renewable energy for operational needs	→ Renewable energy, including behind and in front of meter options being investigated across retail network and infrastructure assets.
	Advocate for a long-term policy framework that supports an effective transition to a low carbon economy	→ Ongoing participation and advocacy via a range of industry networks, including joining the Australian Climate Leaders Coalition.

Climate change risk management

In 2019, we prepared a three-year climate change risk strategy which seeks to address the risks and opportunities posed by climate change to our business. Progress we have made against this strategy is outlined on this page.

We have reviewed our 2019 Climate Change Position Statement with consideration of an evolving external environment including emerging scientific knowledge, policy and regulatory changes, technology developments and stakeholder expectations. Our refreshed Climate Change Position Statement sets out our commitment to managing our business in alignment with the Paris Agreement and the need to transition to a net zero emissions economy by 2050. It includes:

- Principles on which our climate change work is based
- Our actions and approach to climate change management
- Governance and risk management arrangements in place to support our agenda

Progress

- ✓ Complete
- Ongoing



Our refreshed Climate Change Position Statement can be found [here](#).



Climate change governance

The Board approves and oversees Ampol's overall strategic direction and financial and operational performance. This includes approving Ampol's overall risk management framework taking into account non-financial risks such as environmental, safety and potential reputation risks. Climate-related risks are discussed at the Board level including as part of strategy and investment discussions, risk management oversight and monitoring and performance against external sustainability commitments. The Board also approves sustainability policies and disclosures such as the Sustainability Report.

The Board has established four standing committees: Audit, Human Resources, Nomination and the Safety and Sustainability Committee. The committee with the highest level of direct responsibility for climate change is the Safety and Sustainability Committee, which operates under a formal charter and comprises four non-executive and independent directors. The Safety and Sustainability Committee meets four times a year and its remit includes overseeing and assessing the appropriateness of plans to mitigate sustainability risks including climate change.



Further details on the Safety and Sustainability Committee can be found in the Committee Charter located [here](#).

The Board is composed of members with a broad spectrum of skills, experience, expertise and diversity with 6 directors possessing climate change skills/experience.

At the management level, responsibility for the risk of climate change has been assigned to the Executive General Manager, Strategy and Corporate Development. The Ampol Leadership Team have established a Strategic Risk Committee to oversee the identification and management of potential financial risk exposures for the business including those resulting from climate-related risk. Focus areas of the Committee include:

- Overseeing identification, quantification and management of climate-related risks
- Design, execution and integration of climate scenario analysis into strategic planning and capital allocation decision-making
- Further integration of climate-related risks into capital investment and business case frameworks
- Monitoring and internal reporting of external climate change developments (regulatory, technological, market) relevant to Ampol
- Supporting climate change disclosures, reporting and engagement with external stakeholders

Managing climate-related risks

The Ampol Board oversees our enterprise risk management framework and is responsible for satisfying itself that management has developed and is implementing an effective risk management system. Our enterprise risk management framework is supported by a three lines of defence governance structure that aligns with the *ISO 31000:2018 Risk Management* standard and the *ASX Corporate Governance Principles and Recommendations*.

The Board have identified climate change as a material risk relevant to Ampol and have approved a climate risk description, appetite level and qualitative risk appetite statement. Quantitative risk thresholds are being prepared which will form the basis for risk reporting, escalation and response with regard to the Board's appetite for climate-related risk.

A comprehensive risk review is undertaken by management for climate-related risks on an annual basis and presented to the Board. This risk review assesses the effectiveness of controls put into place and proposes any risk treatment actions. Management set annual Sustainability Plans, which include climate-related activities. Progress against these Plans are reported to the Ampol Leadership Team and the Board's Safety and Sustainability Committee on a quarterly basis.

Climate scenario analysis

Undertaking climate scenario analysis allows our business to estimate how we are positioned for different climate futures in the medium to longer term. In building a better understanding of the possible risks and opportunities posed by climate change, we are able to respond and implement measures to build business resilience in the longer term.

With the support of Wood MacKenzie, two climate scenario have been assessed within the Australian context including a status quo (~3°C) and a 2°C scenario.



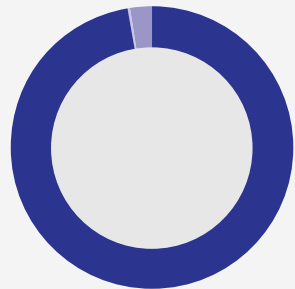
Outputs of this work will be found in the Future Energy and Decarbonisation Strategy to be released soon and available [here](#).



Metrics

FY2020 Carbon emissions profile

Scope 1



561,813

- Lytton refinery and manufacturing

1,597

- Kurnell terminal

13,201

- Other

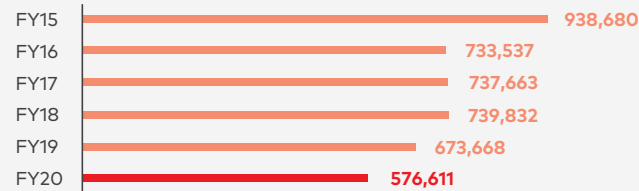
FY2020 Scope 1 emissions by gas (tonnes)

Carbon dioxide	Methane	Nitrous Oxide	Sulphur Hexafluoride
CO ₂	CH ₄	N ₂ O	SF ₆
558,686	5,250	876	9

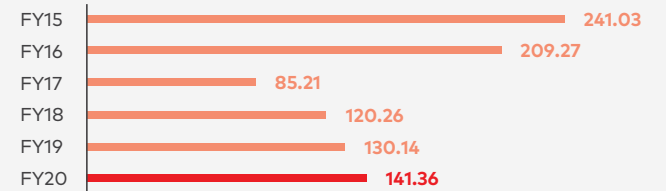
Scope 3

41,116,116 (tCO₂e)¹

Scope 1 (tCO₂e)



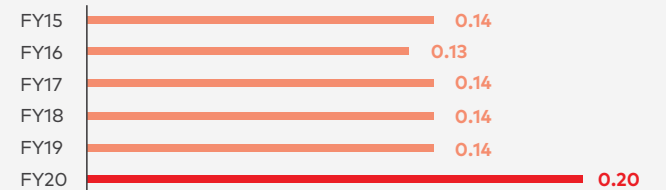
Convenience Retail emissions intensity (tCO₂e/retail site)



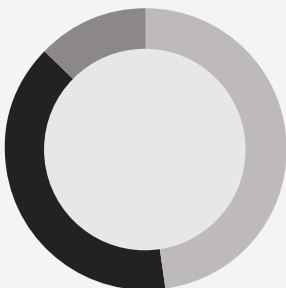
Scope 2 (tCO₂e)



Lytton Refinery emissions intensity (tCO₂e/KL High Value Product)



Scope 2



106,143

- Lytton refinery and manufacturing

87,924

- Convenience Retail

28,030

- Other



1. Scope 3 emissions associated with the combustion of sold products. 2020 is the first year we have collected this data

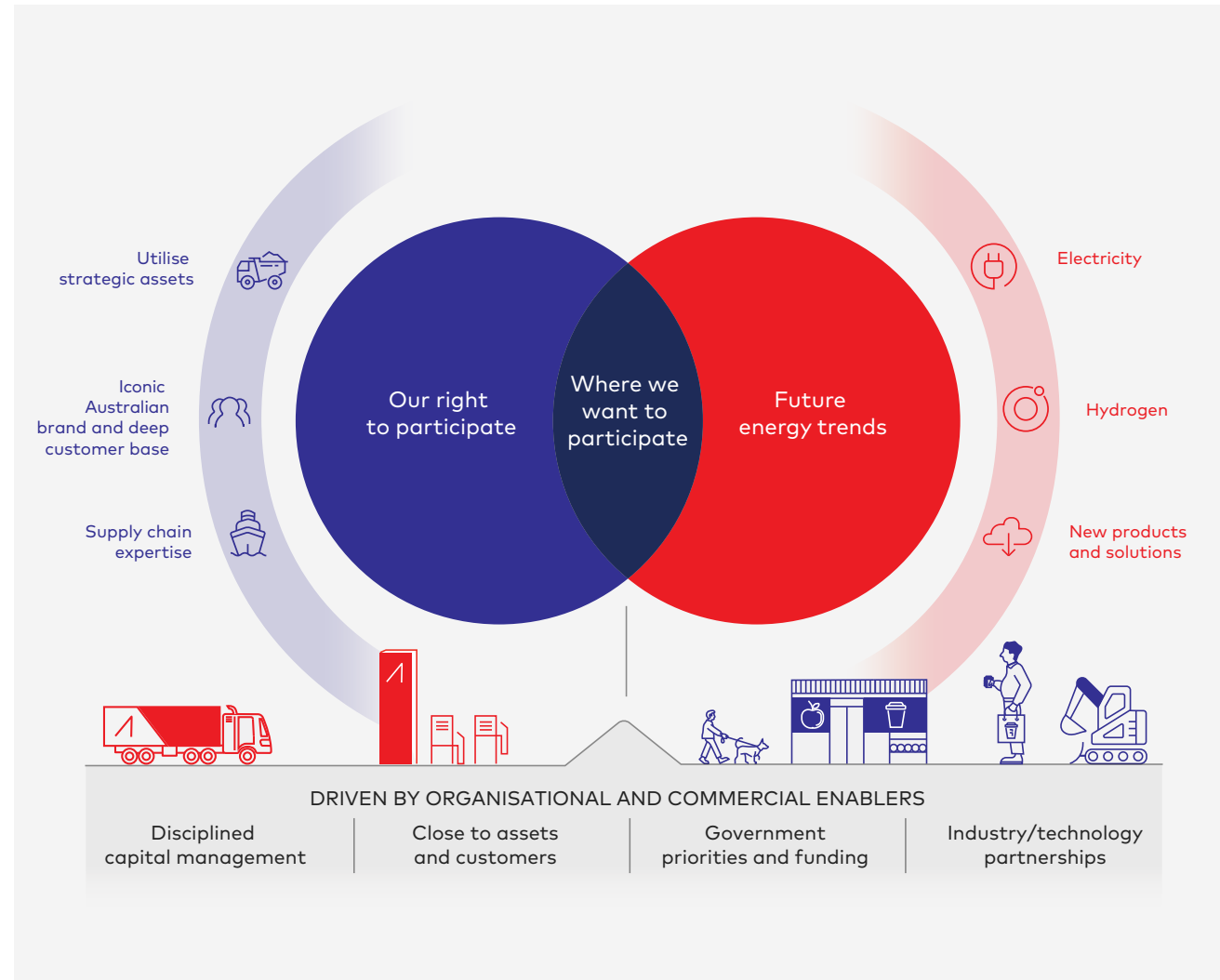
Positioning for the transition to a low carbon future

Whilst our demand forecasting and modelling sees Australian liquid fuels demand growing over the short to medium term, albeit at a slower rate than we have seen over the past few years, we recognise that these volumes will likely decline over the longer term. As a key pillar of our corporate strategy, we are building the foundations for energy transition, leveraging the strength of our assets, customer positions and capabilities.

We are adopting a phased and risk-managed energy transition approach so that we can invest in a balance sheet efficient manner. The core principles of our approach include:

- Targeted investment in future energy opportunities in conjunction with our customers to create profitable solutions and propositions and commercialise over time
- Seeking strategic and financial partnerships with government and other co-investors where possible to share risk and source capability
- Prioritising options which leverage our core assets and capabilities

- Active engagement with customers, industry and government to develop solutions that are closer to commercial/technical feasibility
- Establishing partnerships with key entities like vehicle manufacturers and technology providers to ensure overweight market share as solutions move to scale
- Staffing a dedicated team of cross-functional capabilities tapped into the broader organisation to seek out opportunities to invest in lower carbon energy solutions
- Establishing a set of relevant investment criteria to allocate capital in a disciplined fashion





2020 Planned actions and performance

Enhanced climate change risk management, inclusive of risk metrics which are responsive to evolving risks and regulations	→ ● In progress
Further integration of climate scenario assumptions into fuel modelling and strategic models used by the business	→ ● In progress
Development of an energy transition strategy focusing on business portfolio diversification opportunities including alternative fuels and the broader energy sector. Investigation of metrics/ and or targets to support the strategy	→ ● In progress
Consideration of ESG/climate change performance metrics for relevant personnel as part of broader remuneration strategy	✓ ● Achieved
Introduction of a shadow carbon price as part of capital investment framework	✓ ● Achieved
Embed physical climate change risk considerations into design and development standards	✓ ● Achieved



Future priorities

Our future focus areas and commitments are outlined below:

Energy transition and decarbonisation

- 13. Launch of Ampol's Future Energy and Decarbonisation Strategy including operational carbon targets in 2021
- 14. In 2021, development of an Integrated Assessment Model to establish views on Australian energy system, mix and transition to support strategic planning and climate risk management
- 15. Further integration of climate considerations into Ampol's capital allocation and business case frameworks





Assurance statement

Independent Limited Assurance Report to the Directors of Ampol Limited

Conclusion

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the Select Sustainability Information which has been prepared by Ampol Limited in accordance with Ampol policies, procedures and methodologies (the Criteria) for the reporting period 1 January 2020 to 31 December 2020 unless otherwise stated.

Information Subject to Assurance

The Selected Sustainability Information, as presented in the 2020 Sustainability Report of Ampol Limited (the "Company") and available on the Company's website, comprised the following:

Select Sustainability Information	Value Assured
Total Recordable Injuries (TRI) (number) – Fuel and Infrastructure	17
Total Recordable Injuries (TRI) (number) – Convenience Retail	66
Total Recordable Injuries Frequency Rate (TRIFR) – Fuels and Infrastructure	4.6
Total Recordable Injuries Frequency Rate (TRIFR) – Convenience Retail	10.1
Days Away From Work Injury Frequency Rate (DAWIFR) – Fuels and Infrastructure	1.1
Days Away From Work Injury Frequency Rate (DAWIFR) – Convenience Retail	4.8
Tier One Safety Event (number)	0
Tier Two Safety Event (number)	1
GHG Emissions Scope 1 (t-CO ₂ e) – 1 July 2019 to 30 June 2020	576,611
GHG Emission Scope 2 (t-CO ₂ e) – 1 July 2019 to 30 June 2020	222,097

Criteria Used as the Basis of Reporting

The criteria used in relation to the Sustainability Report are Ampol policies, procedures and methodologies (*"the criteria"*).

Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 (Standard). In accordance with the Standard we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the [information subject to assurance], whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of Procedures Performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- enquiries with relevant Ampol Limited personnel to understand the internal controls, governance structure and reporting process of the information subject to assurance;
- reviews of relevant documentation including;
- analytical procedures over the information subject to assurance;
- remote interviews with Corporate Head Office (Sydney) and Lytton refinery;
- walkthroughs of the information subject to assurance to source documentation;
- evaluating the appropriateness of the criteria with respect to the information subject to assurance; and
- reviewed the Sustainability Report in its entirety to ensure accuracy of the Selected Sustainability Information with our overall knowledge of assurance engagement.



How the Standard Defines Limited Assurance and Material Misstatement

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of Ampol Limited.

Use of this Assurance Report

This report has been prepared for the Directors of Ampol Limited for the purpose of providing an assurance conclusion on the information subject to assurance and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of Ampol Limited or for any other purpose than that for which it was prepared.

Management's responsibility

Management are responsible for

- determining that the criteria is appropriate to meet their needs and the needs of their stakeholders;
- preparing and presenting the information subject to assurance in accordance with the criteria; and
- establishing internal controls that enable the preparation and presentation of the information subject to assurance that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the information subject to assurance for the reporting period 1 January 2020 to 31 December 2020 unless otherwise stated, and to issue an assurance report that includes our conclusion.

Our Independence and Quality Control

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.

KPMG
9th April 2021

