



Modern Slavery Statement 2020

For the 12 month period ending 31 March 2020

Z Energy Limited

Introduction

This is Z Energy's first Modern Slavery Statement, which outlines the steps we have taken to identify, manage and mitigate the specific risks of modern slavery in our operations and supply chain.



A message from Mike and Abby

People are the core of our business: our Z whānau (family), our customers, our suppliers and our supplier partners. We believe in solving what matters for a moving world and we recognise that world extends to our national and global supply chain. It is imperative that we make every effort to uphold human rights wherever Z's footprint falls.

We are the largest fuel retailer by market share in Aotearoa New Zealand. In FY20, we provided 2451 jobs at over 300 retail, truck stop and terminal sites and corporate offices around the country, sold 3,837 million litres of fuel and recorded 56.6 million transactions at Z-branded retail sites. In other words, we have a big impact to make. We're committed to working with businesses in our supply chain and in other sectors to take a lead on proactively combat modern slavery.

We are fully committed to meeting the principles and requirements of the Australian Modern Slavery Act 2018 (the 'Act') as an ASX listed company and because we recognise that our people are the core of our business.

As this first Modern Slavery Statement indicates, we are only just starting out on this journey. However, we have a strong set of guiding company values and a history of leaning into the difficult – but necessary – conversations about social and environmental justice according to our stands of Diversity and Inclusion; Sustainability; Community; and Safety and Wellbeing.

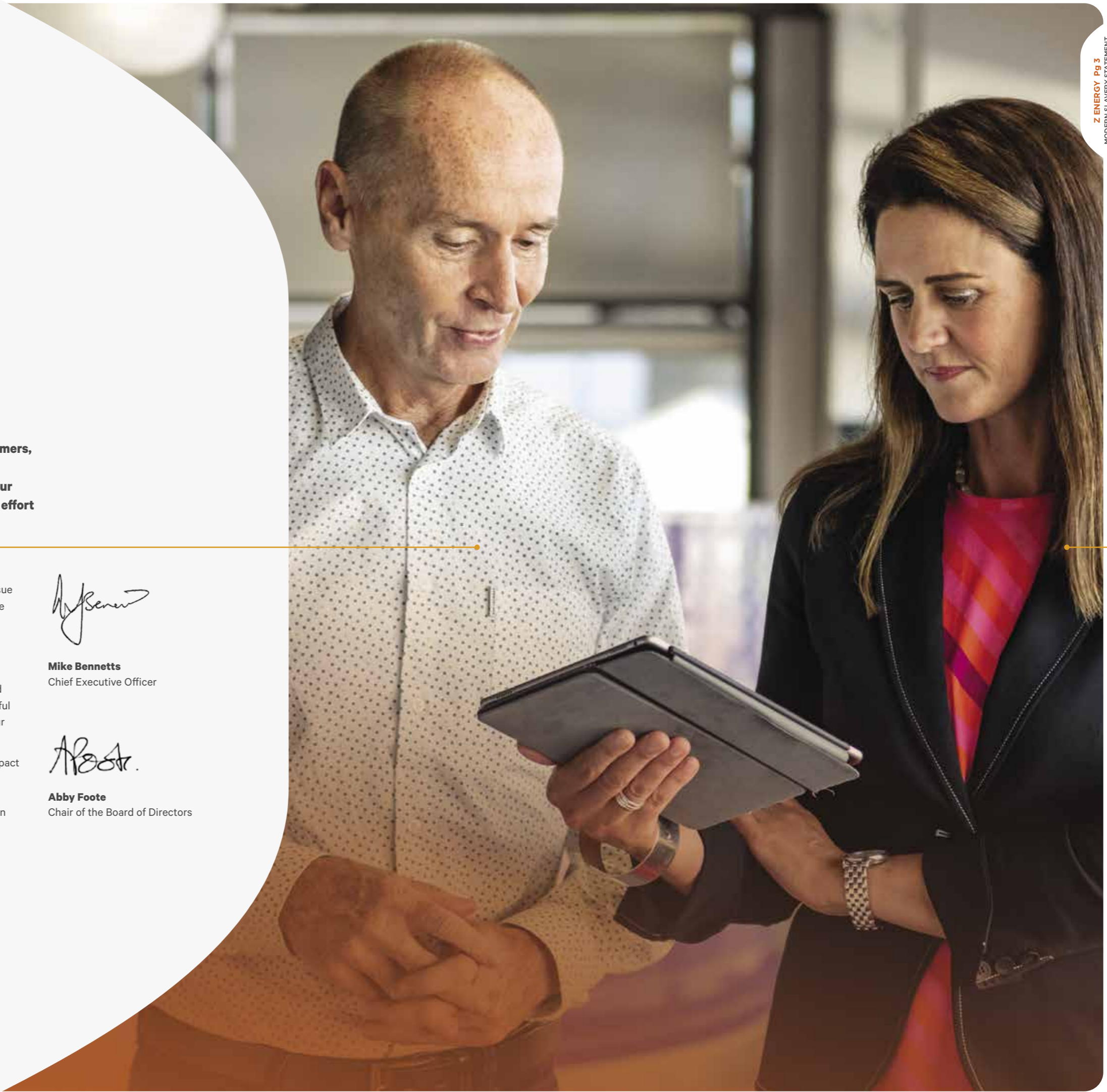
We know from a decade of work on climate change that for a complex issue to be managed it so often needs to be measured first. We therefore commit in this statement to identify modern slavery where it exists in our supply chain applying the rigorous safety and wellbeing standards, policies and procedures that provide the successful framework for the management of our business.

We also commit to monitoring the impact of COVID-19 on our supply chain, as we know that during times of stress and disruption vulnerable workers can become even more so.

This is essential mahi (work) and we welcome any feedback on any of the suggested approaches taken in our Statement.

Mike Bennetts
Chief Executive Officer

Abby Foote
Chair of the Board of Directors

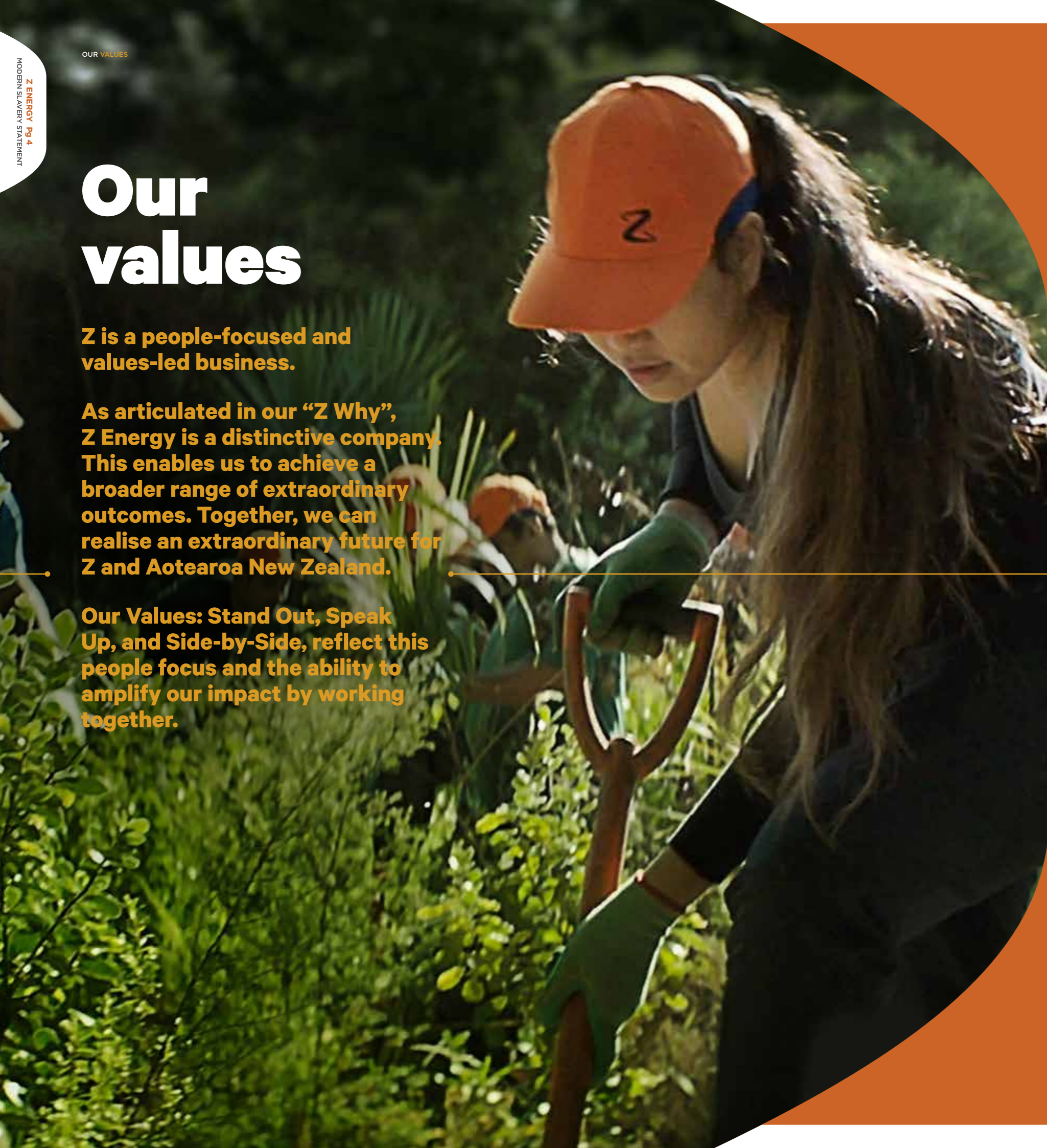


Our values

Z is a people-focused and values-led business.

As articulated in our “Z Why”, Z Energy is a distinctive company. This enables us to achieve a broader range of extraordinary outcomes. Together, we can realise an extraordinary future for Z and Aotearoa New Zealand.

Our Values: Stand Out, Speak Up, and Side-by-Side, reflect this people focus and the ability to amplify our impact by working together.



Tū kaha

Stand out

We believe we can build a better business and a better world



Tū māia

Speak up

We believe extraordinary outcomes are fuelled by active participation and dialogue



Tū kotahi

Side by side

We believe learning and growing together delivers unlimited potential

Supplier Code of Conduct

We recognise our ability to leverage this distinctive advantage to create more sustainable outcomes through the collective impact of working with our broad range of supplier partners.

So in 2015, we introduced our first Supplier Code of Conduct which covers the things that we believe matter to New Zealand:

- Ethical business
- People and community
- Safety and wellbeing
- Environmental sustainability

We updated this Code in 2020 to reflect the changing social, economic and environmental landscape we all operate in. We want to strengthen existing partnerships and invite new collaborations to ensure we operate in a fair, transparent and sustainable manner for the good of all New Zealand.

We must also consider our wider relationships with respect to modern slavery as we look deeper into our supplier chain and other critical partnerships.

Community Stand

Under our Community Stand, we stand for a resilient and healthy Aotearoa New Zealand that empowers our youth, neighbourhoods, and Z whānau.

In response to the March 2019 terrorist attacks in Christchurch, we launched our 'We've Got your Back' internal campaign.

Consistent with our Z values and diversity of our Z whānau, we want to be able to provide a safe work environment for all New Zealanders, no matter who they or where they come from. Through this we can and will create a better workspace where no one feels isolated or excluded.

Diversity and Inclusion Stand

Alongside this, we have a Diversity and Inclusion stand where we are committed to reflect the diversity of New Zealand with an inclusive culture so that diversity can be fully expressed and manifest in tangible benefits. We will lead the way in developing a Kiwi firm that has our people being successful, being ourselves.

Respecting the human rights of our teams and of every worker in our supply chain is an important element of our strategy. We have integrated sustainability, community, and diversity and inclusion, into the way we go about our business every day, so that every decision we make has our purpose at its heart – "Solving what matters for a moving world".



Crew Promise

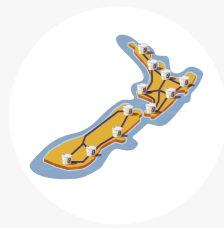
Z has also developed a Crew Promise, for retail site staff, which outlines additional benefits Z Retailers promise, to recognise the extra effort you put into working with Z.

Our Crew Promise has four parts. It doesn't matter where you work or what role you do, Z and all Z's Retailers promise these four things:

Lifestyle and wellbeing	Learning and development	Reward and recognition	Tribe and vibe
<p>We are committed to promoting your physical, mental and emotional health and wellbeing so you go home happy and healthy at the end of every working day. We do this in a bunch of ways, and we also think that part of your wellbeing is to really enjoy your work.</p>	<p>Your development matters because people matter — it's you who will make us extraordinary. We are committed to your success and we believe that supporting your development is one of the best ways for us to do that. We want to be a place for personal growth, not just work.</p>	<p>We reward and recognise excellent performance so that we can attract, keep and grow the best people to help us all deliver an extraordinary future and share in each other's success.</p> <p>Every day you come to work, you are helping Z become a world class Kiwi company. Z couldn't be what it is without your contribution, and we recognise what you do.</p>	<p>When you're part of the Z family, you're part of our 'tribe' — a group of individuals connected by a common purpose and values. We are different, the way stuff gets done is different and what we aspire to is different. We believe that together we can realise an extraordinary future.</p> <p>There are things that matter so much to us that you will see them playing out in how we work every day, like our values and the things we stand for. Our people are passionate about what they do and we are passionate about supporting our people to enjoy their work and thrive in it.</p>



Key milestones in 2020



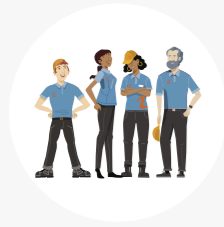
Relaunched Supplier Code of Conduct



Strengthened supplier contracts



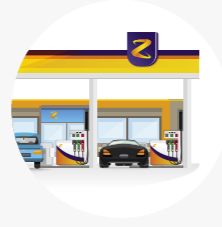
Strengthened We've Got Your Back programme



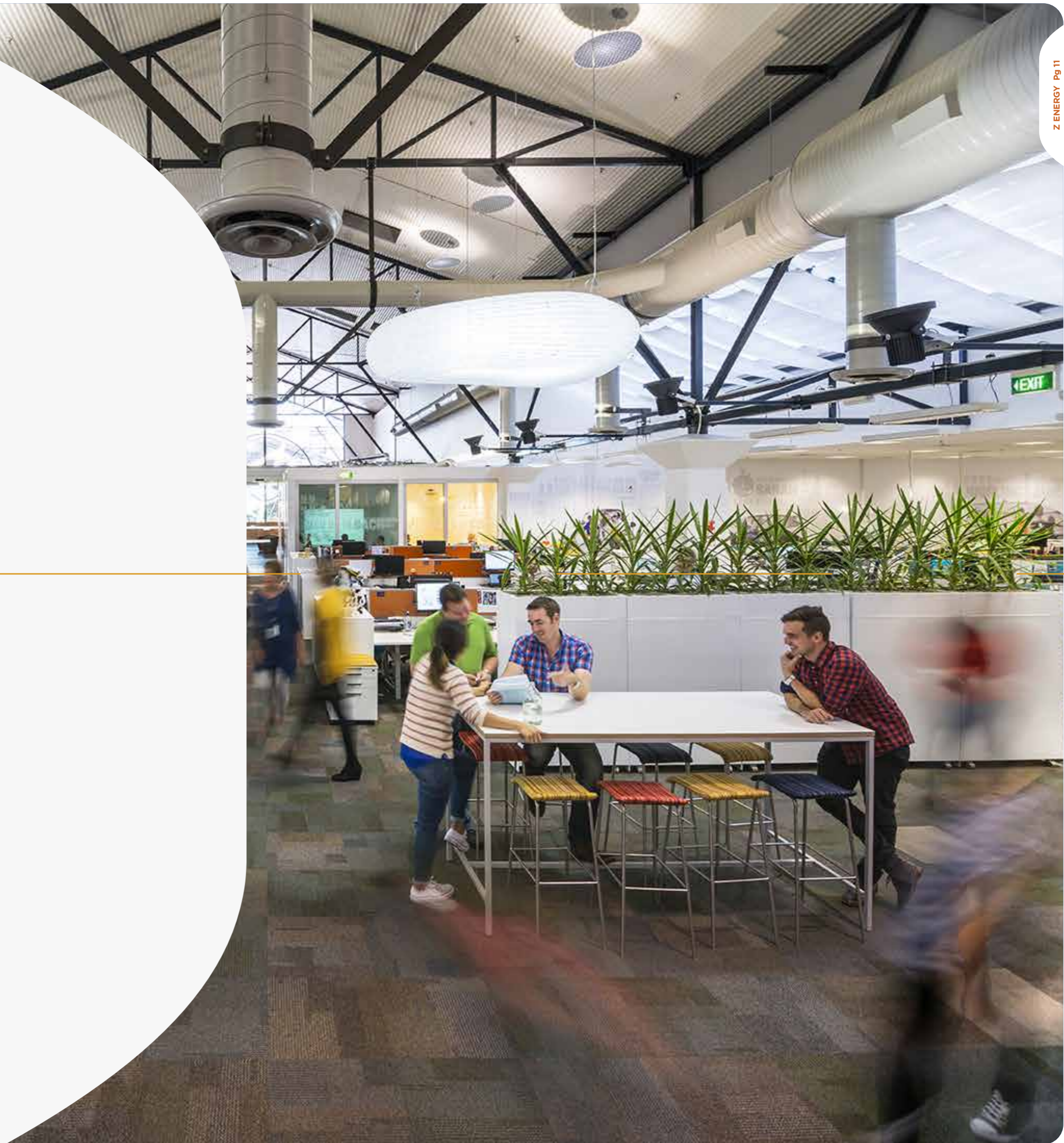
Launched NZ Retailers' anti-racism pledge



Built We've Got Your Back into Crew Promise



Developed retail site staff online training module

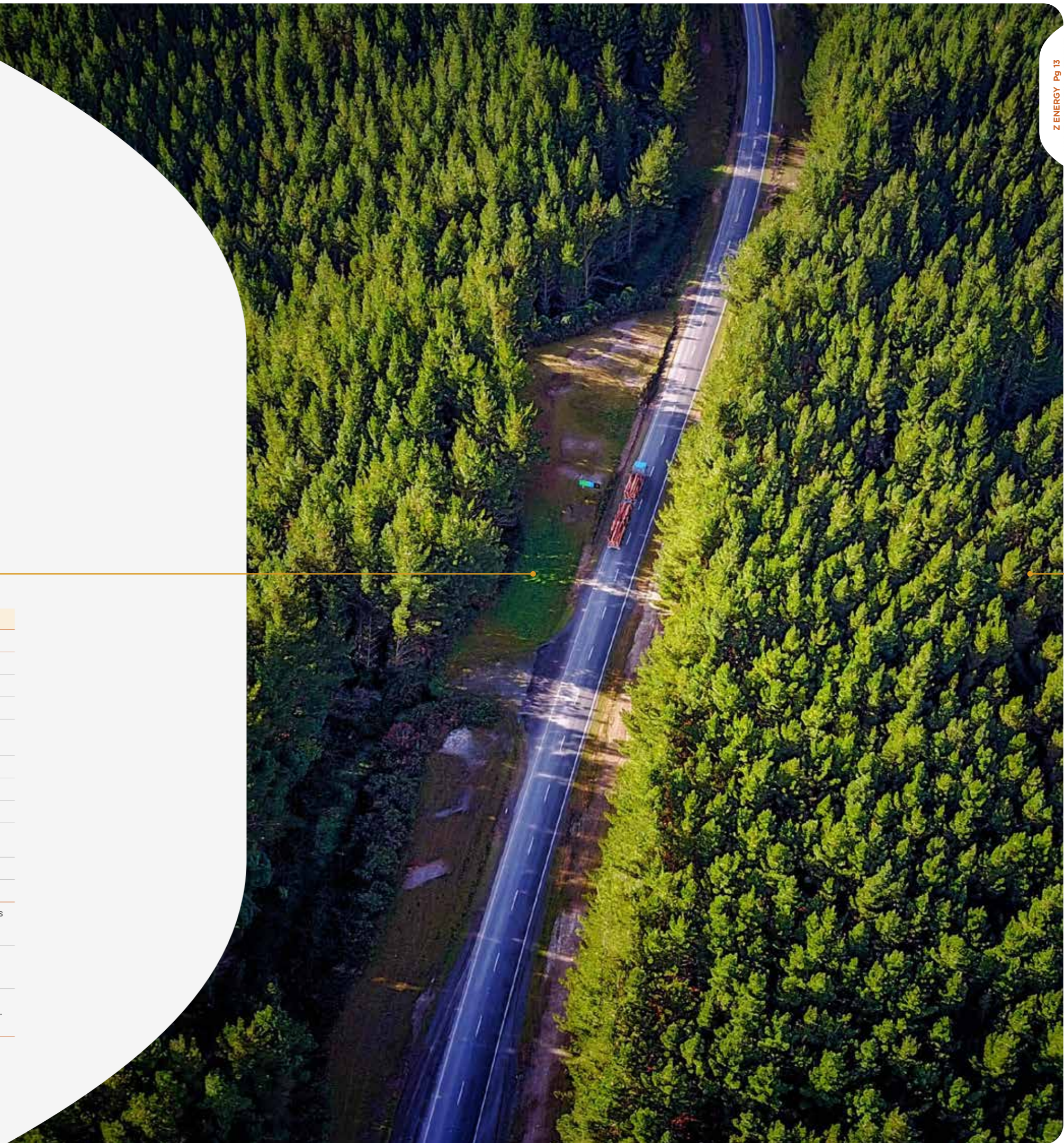


Our structure, operation and supply chain

Structure

In defining Z's structure, operations and supply chains, a scoping exercise with representatives from each business unit will address the following key activities:

	Key activities	Who does this apply to
Z's structure	Legal entities	Z Energy Ltd, Flick, Mevo
Z's operations (activity undertaken by the entity to pursue its business objectives and strategy)	Direct employment	Z employees
	Managed/operated joint ventures	
	Product distribution	Fuel distribution
	Provision of services	Z Retailers Telnet
	Construction	
	Financial investments	
	Leasing of property, products, services	Awanuia
	Distribution, purchasing, marketing and sales, Convenience Retail suppliers	Goodman
	R&D	
	Charitable activities – trusts, foundations	
Z's supply chain (the products and services (including labour) that contribute to the entity's own products and services)	Products provided by suppliers	Uniforms, convenience retail goods Crude and refined products
	Services provided by suppliers	Catering, cleaning, maintenance, professional services
<small>*See the category list.</small>	Products and services (including labour) that contribute to the entity's own products and services	Raw materials extraction for IT equipment, clothing, food, fuel, etc.



Operations

All of Z's direct employees are in NZ, employed on predominantly permanent employment individual agreements which we regularly review to ensure compliance with NZ employment legislation (which basically legislates against modern slavery).

Z's ~200 retail sites are managed by Z's Retailers, who operate under Business Partnership Agreements, which outlines the partnerships between Z and the Retailer, and the commitments of each under these agreements. The Retailers operate clusters of geographically defined retail sites across NZ.

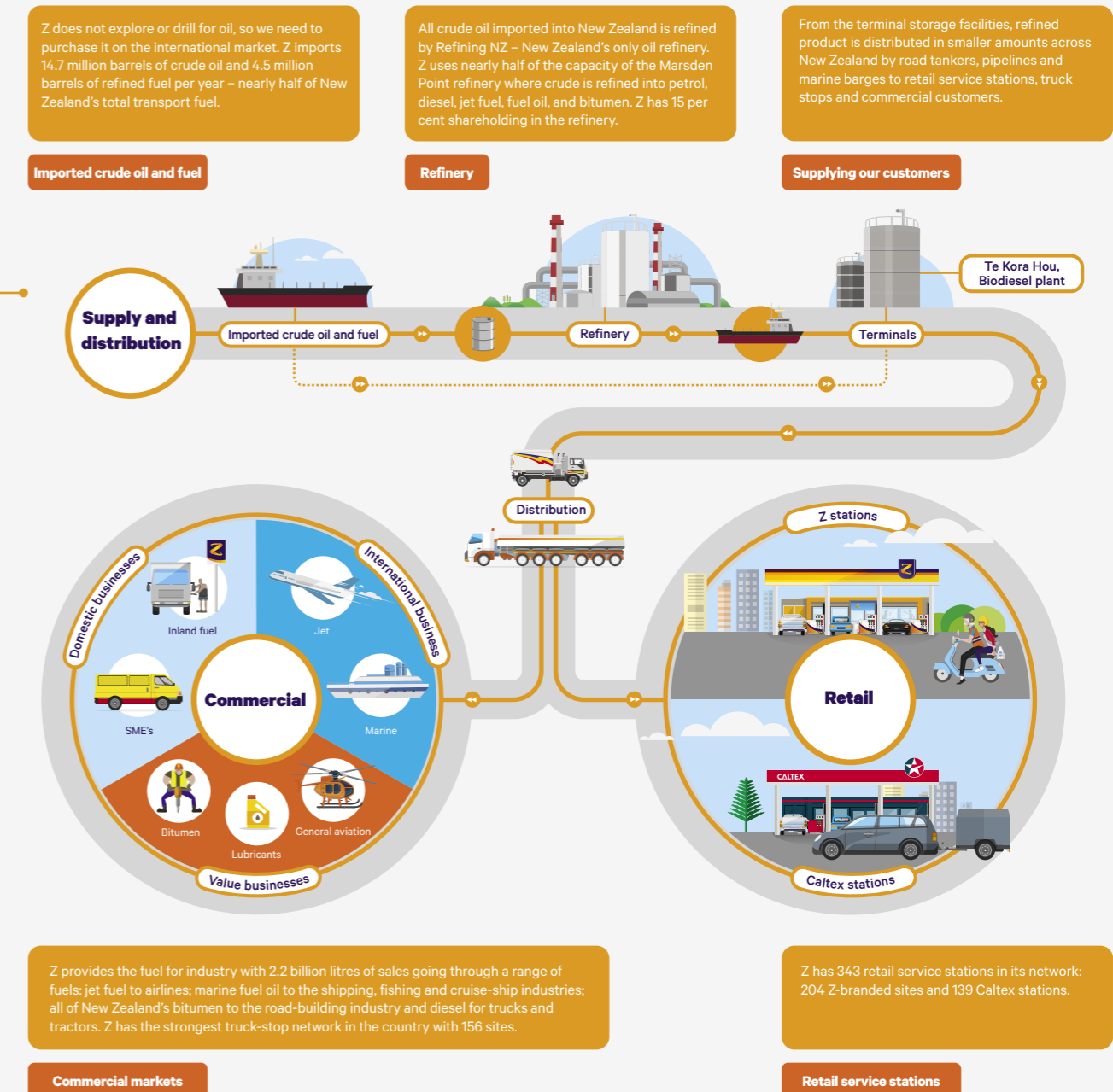
Z also supplies fuel to large commercial customers like airlines, trucking companies, mines, shipping companies and vehicle fleet operators. We also provide bitumen to roading contractors.



Supply chain

Z's supply chain provides a competitive advantage.

With the assets, relationships, knowledge, and increased scale from the combined heritage Z and Caltex businesses, Z is well placed to compete successfully in a changing world.



Risks

At Z, we are committed to providing workplaces that enable safe, productive and engaging work that enhances the physical and mental wellbeing of our Z whānau, the partners we work with and the wider Aotearoa New Zealand.

This commitment is core to Z's stand on Safety and Wellbeing to enhance the lives of our people and communities. As such, ensuring that modern slavery is not present in any of Z's operations and supply chains, and any entities that Z owns or controls is of critical importance.

Z's enterprise risk management framework is made up of a range of policies, processes, procedures and systems designed to identify, manage and monitor any modern slavery practices in its operations and supply chains.

A core characteristic of Z's generative risk culture is that all employees, contractors, suppliers and partners are encouraged and empowered to proactively raise any areas of risk, including unsafe or unfair working conditions such as modern slavery so that it can be appropriately assessed,

prevented, detected and mitigated - this also ensures that any potential or actual modern slavery practices identified are escalated to the right level of management accountability for appropriate remediation or treatment.

Z has not identified any situations or instances of modern slavery practices in its operations and supply chains for the 12 months ending 31 March 2020, and will continue to monitor the risk of modern slavery at Z.

It is worth noting that Z's enterprise risk profile has identified the risk of 'Non-compliance with the Modern Slavery Act' as a significant emerging risk / opportunity to Z's strategy and performance.



Actions

Z deploys a risk framework that consists of a suite of policies, procedures and guidelines which articulate its values, stands, ways of working and expectations of its people, partners, and suppliers.

The framework governs the expected conduct and behaviours and is regularly updated to ensure that modern slavery practices are not present in any of its operations and supply chains. This framework ensures that our people, partners and suppliers clearly understand the expectations of acceptable conduct and behaviours with regards to modern slavery, and equally that they can recognise and raise situations when they are being treated in a way that is inconsistent with these expectations.

It is the responsibility of our people, partners and suppliers to ensure they are familiar with all Z policies, procedures and guidelines. It is a condition of signing an agreement or contract to work for (or with) Z in any capacity that these policies, procedures and guidelines be understood and followed at all times.

The following are the key policies, procedures and guidelines that are most relevant to manage potential or actual modern slavery practices in Z's operations and supply chains:

Policy framework

The 'Z Why'

Z's foundation document, outlining the things that Z stands for – our brand, our stands and our vision, values and strategy. It outlines the choices that people make in coming to work for Z.

Employee code of conduct

The Code is designed to help guide and inform the choices that Z staff make on a daily basis and ensure they do the right thing. It is designed to help Z's people succeed through making choices that are consistent with two key parts of the company's foundations: Z's values and policies.

The Z 'Fair Go Guide'

The Safety & Wellbeing Policy developed in order to create an environment where people are confident they'll be treated fairly- some people call this a 'Just Culture'.

Team Member Whistleblower Policy

The Whistleblower hotline is staffed by a third party external to Z. Any Z employee or contractor who becomes aware of a legal, regulatory, policy or other compliance issue, or a breach of the Code of Conduct, has a responsibility to report it.

Employee Assistance Programme

The Employee Assistance Programme (EAP) is a professional and confidential service paid for by Z. It is designed to help our people experiencing any personal or work-related difficulties. This service is provided by an independent company called EAP Services Limited, and their Professionals are all qualified, registered and experienced EAP specialists.

WGYB Guidance

This Guidance is designed to help retail site staff deal with situations where a customer is making racist, prejudiced or bigoted remarks.

We have also developed an online training module for retail site staff on how to deal with, and de-escalate, racial and verbal abuse on site.

Discrimination, Bullying & Harassment Policy

This policy sets out what discrimination, bullying, and harassment is, our approach to prevention and awareness, and a set of procedures for dealing with these issues if they arise. It applies to all Z Energy people: employees, contractors, customers, clients, visitors and other stakeholders.

Z's Enterprise Risk Management (ERM) Framework

Designed to enable Z Energy to proactively manage risk by setting out disciplines that can be embedded in day-to-day business operations and decision-making processes.

Z's Operational Risk Management (ZORM) System

drives us to proactively focus on the operational risks that matter most, ensures the continual improvement of our operations, and it's part of everything we do. It drives us to meet our responsibilities as a New Zealand company and our internal standards too.

Z's Procurement Policy statement

Based on third party spend and the associated planning purchasing and contracting activities. Z takes a risk and threshold-based approach to sourcing and contracting of goods and services in line with the detailed guidance provided in the Policy. Z will manage and monitor supplier relationships and associated contracts in a consistent way.

Z's people, suppliers, partners and entities within its operations and supply chain are required to comply with all New Zealand legislative requirements at all times.

These includes, among other things, the provisions of the Crimes Act 1961 (NZ) prohibiting slave dealing, smuggling and trafficking of people, abduction and kidnapping. Z would immediately terminate any commercial relationship with an entity or individual that had breached any lawful requirement that undermined their overall observance to modern slavery.

Effectiveness

If potential modern slavery practices were to be identified within Z's operations and supply chain, they would be reviewed using Z's risk assessment process and evaluated against an enterprise risk analysis criteria to understand their severity and to ensure appropriate remediation was undertaken to mitigate the risk.

The remediation actions or treatments to address potential or actual modern slavery practices would be assigned to the appropriate owner within Z responsible for ensuring that the action effectively addresses the associated risk. These actions are monitored at an enterprise level to ensure they are closed out in a timely manner and to identify any systemic trend of modern slavery practices arising in the business.



Consultation with controlled entities

Z has engaged the entities that they own or control and agreed an approach to ensure modern slavery practices have been identified, assessed and managed within their organisation, and to ensure compliance with the Australian Modern Slavery Act 2018.

Strengthening Supplier Contracts

We want to engage with suppliers who share our values and commitment to environmental and social sustainability, in service of greater collective impact.

In 2015 we introduced our first Supplier Code of Conduct which covers the things that we believe matter to New Zealand.

We must also recognise on occasion we will or may have limited options in the market we operate on supplier choice. It would be sensible to leverage our values and scale to influence suppliers where there might be a misalignment of values.

The objective of Z's Supplier Code of Conduct focuses on what we reckon matters to New Zealand: Ethical Business, People & Community, Safety & Wellbeing, and Environmental Sustainability. It is applicable to all suppliers, including their parent, subsidiaries, affiliates and subcontractors ("suppliers") providing goods or services to Z Energy Limited.

Building on our Supplier Code of Conduct (SCOC) we may contract specific performance measures with like-minded suppliers to work on projects that aim to make a greater positive change than what we could have achieved on our own. Suppliers shall comply with any additional requirements specific to the products or services being provided to Z Energy as called for in contract documents.

Z Energy will conduct regular internal assessments to assure compliance with this SCOC and may request documentation that demonstrates compliance. Likewise, we are committed to the SCOC values and will provide examples and assistance to suppliers who require further information on any of the key areas.

Alongside the SCOC, Z's Procurement team are pursuing greater focus on actively managing core and critical contracts post awarding. This will ensure the right contracts have recurring oversight to their performance and specific targets.

While our supplier relationship ownership is decentralised with ownership of relationships held within the business, it is essential that centralised oversight is maintained.



The way forward

FY22

Operations

- *Safety & Wellbeing:* Retailer / retail site staff training developed on modern slavery
- *Procurement / Legal:* Complete a review of standard Z contracts to embed modern slavery clauses.
- *Strategy & Risk:* Assess the practicality of effectiveness measures and incorporate changes into a broader evaluation framework.

Suppliers

- Partner with key strategic suppliers to deliver due diligence for identified high-risk goods/ services.
- Monitor ongoing impacts of Covid-19 on our supply chain.

2023 (and beyond) Strategy

Monitoring

- Use SCOC process to identify and work with high-risk goods/services.
- Build our retail engagement strategy to strengthen real-time supply chain intelligence.

Transparency

- Enhanced supply chain transparency and management of key inputs.
- Supply-chain mapping with key indicators for strategic / high-risk goods/services.

Partnerships

Establish a human rights supplier leadership programme

Empowering Customers

Communicate our human rights programme to customers through different channels to help them make informed decisions.

Ongoing

An ongoing commitment to transparency through sustainability disclosure.

This Statement, along with our other integrated sustainability reporting, form a key part of how we communicate what matters with our key stakeholders and shareholders.

Our approach to this and future statements is in line with our three Values of:

Stand Out: We'll demonstrate the effectiveness and limitations of our programme and report on outcomes as well as outputs.

Speak Up: We'll be straight-up and honest about our progress on this journey.

Side-by-Side: We'll take our Z site staff, team, suppliers and customers with us every step of the way, and constantly look for ways they can help us to improve.

We are committed to identifying and remedying modern slavery risks in our supply chains and operations. We have a plan for FY22 and a clear vision of where our programme is headed which will be shared as part of our ongoing work plans and strategies.



