Z ENERGY
ANNUAL REPORT

Ki te pakari te tūāpapa ka hua te anamata

For the nine months
to 31 December 2022

Whiria te kaha | Our collective context

All of these elements together form our collective context, which we capture like this:

Te pūtake | Our purpose

Solving what matters for a moving world

Since Z was formed in 2010, we have been a purpose- and values-driven organisation. The way we behave, the decisions we make and what we choose to stand for bring together our purpose, our values, our strategy and how we address the issues most material to our stakeholders.

> ***Reflection***
>
> *The theme of this year's report is one of reflection as we look back on the past, using lessons learned and key events that happened to guide us as we continue to deliver against our strategy and build momentum in the transition to a low carbon economy.*
>
> *This theme is brought to life through the narrative and imagery, and starts and ends with the report title: Ki te pakari te tūāpapa ka hua te anamata | From strong foundations we build the future.*

Ō tātou uara | Our values

Tū kaha | Stand out

We believe we can build a better business and a better world. We are distinctive where it really matters. We challenge the status quo by being bold, innovative and passionate. We work relentlessly to be a force for good for our communities, our economy and our planet.

Tū māia | Speak up

We believe extraordinary outcomes are fuelled by active participation and dialogue. We speak up with courage around what's important to us and encourage others to do the same. In doing so, we will create new possibilities together.

Tū kotahi | Side by side

We believe learning and growing together delivers unlimited potential. We're better together – holding each other up as well as challenging ourselves to grow and develop. Side by side we build trusted partnerships with our people, our customers and our communities.

Ngā take matua | Our material issues

Refer to pages 12-13 for information on these issues.

Rārangi ūpoko | Contents

Waiuku
Te Ika-a-Māui

Te pūrongo o te wā | About this annual report

This annual report covers the nine months from 1 April to 31 December 2022. It aligns Z's financial year with that of the Ampol Group – which Z is now part of following the acquisition of Z's shares by Ampol in May 2022. From now on we will report on a calendar year basis.

Both Z and Ampol share a commitment to transparent stakeholder reporting. Z has reported to stakeholders since the company was created in 2010 and is committed to continuing to do so.

We acknowledge high levels of stakeholder interest in our business, particularly in the current social, economic, and environmental context.

Z is committed to integrated reporting <IR> and considers the International <IR> Framework as the most transparent way to discuss our business, our performance, and our strategy. We continue to report against the issues most material to our stakeholders and weight our reporting towards the future – how we create value, our strategy and impacts, and our role in a rapidly evolving energy future.

We also use the Global Reporting Initiative (GRI) Standards: Core option.

While Z is no longer required to report against the NZX Corporate Governance Code, we will continue to meet other Aotearoa New Zealand legal disclosure requirements, including the NZX Debt Market Listing Rules while Z is an issuer of listed bonds. We will continue to report on how we manage risk and performance against our environmental, social and governance (ESG) commitments, and remain committed to providing transparency in relation to the gender pay gap, safety and wellbeing, diversity and inclusion, and remuneration.

It is important to Z that we hold ourselves to account for delivering on our commitments and that we are transparent about our progress.

Z's commitment to reporting climate-related risks requires us to progressively improve the quality of our reporting, including our understanding of those risks, how they are reflected in strategy and how we seek to manage them.

With the dissolution of the Z Board following the Ampol integration, and the introduction of a four-person subsidiary Ampol Board to govern Z, many of our governance disclosures are covered as part of Ampol Group reporting. Note, Ampol Group reporting for 2022 will include information about Z for the period from 1 May 2022.

Ki te pakari te tūāpapa ka hua te anamata

From strong foundations we build the future

The concept of whakapapa – building layer by layer upon the past towards the present, and on into the future – is evident in what Z has achieved this year, as we learn from our past, continue to deliver against our strategy and build momentum in the transition to a low carbon economy.

At our (final) Investor Day in July 2021 we shared a slide on what we called our 'Game Plan' to the end of FY24. Notwithstanding Z no longer being listed on the NZX Main Board, it was important that we delivered on those promises for our customers and new owners.

With the closure of Aotearoa New Zealand's sole oil refinery and an import-only supply chain performing as expected, we've completed our planned exit of longstanding industry agreements that were inefficient and a barrier to investment. We are scaling up our investments in decarbonisation initiatives, and have become a part of the Ampol Group, creating a wholly independent and integrated trans-Tasman energy company.

Individually these changes provide benefit across different areas of our business, but collectively is where the true value to Z and our stakeholders becomes visible.

As we look to our future, continuity from where we are now to where we are heading is important. The major structural changes we have made this year strengthen the foundations of our business and position Z as a flexible, profitable business with more options than ever before.

Major changes have been well managed

As we have positioned Z to deliver on the next phase of our journey, we remain connected to the commitments we made when we started almost 13 years ago. Now, more than ever before, 'Z is for New Zealand': our values, the matters we take a stand on and the potential for us to deliver against the issues that matter most to Aotearoa New Zealand are stronger than they have ever been.

Impacts from Covid-19 and record high inflation have reinforced the need for us to deliver value. In particular, the war in Ukraine and a declining New Zealand dollar have driven fuel prices over 2022 to the highest levels ever seen in Aotearoa New Zealand and created a highly volatile market for us to navigate.

Balancing the energy trilemma of delivering value, energy security and urgent climate change action remains the greatest challenge of our time.

Climate change is one of the most material issues for our stakeholders.

A flexible, efficient, lower carbon supply chain

After almost 60 years of operating a domestic refinery at Marsden Point, on 1 April 2022 Aotearoa New Zealand moved to a refined fuel import-only supply model. The refinery historically supplied around 70 percent of New Zealand's fuel, with the remaining 30 percent coming from locations such as Singapore, Australia, South Korea and as far as the Americas.

Although we have seen positive refining margins at overseas refineries this year, the operating context of the Marsden Point refinery, which had been declining in profitability and its ability to compete against more efficient regional refineries for years, would not have mitigated volatile fuel prices for New Zealanders if it was still running.

We now source 100 percent of our refined fuel from multiple global refineries, allowing for greater flexibility and resilience in our supply chain – a notion that becomes ever more important as we see the geopolitical events overseas pushing Europe into an energy crisis given the region's reliance on Russian oil and gas.

While there has been stakeholder concern that the closure of the Marsden Point refinery would compromise Aotearoa New Zealand's security of fuel supply, this has not been the case. Aotearoa New Zealand's supply chain is now more secure than it has ever been. There are now more frequent shipments of refined fuel arriving directly into different ports around the country where it is needed by customers – bypassing the need for crude oil to be shipped for domestic processing in the far north of the country and then shipped to other ports from there.

As an example of how the supply chain is delivering flexibility and security, in December an off-specification shipment of jet fuel arrived in New Zealand. This is a rare but not unprecedented event. While there was a great deal of comment and media scrutiny around this issue, subsequent jet fuel shipments were delivered to ensure no customers' travel plans were impacted.

The closure of the refinery also removes around one million tonnes of CO_2-e from the domestic economy, and it is in the supply chain where the real advantages of Ampol's acquisition of Z will be seen. Z has been progressively transitioning its international supply activities from Wellington to the Ampol trading and shipping team in Singapore, with the final changes to be made in 2023. The value of building an independent regional supply chain will better serve Aotearoa New Zealand's energy needs, further improve security of supply and ensure competitive prices to Z's customers.

100%

Refined fuel IMPORTED

All of these changes in the supply chain have proved to be resilient in the severe weather events of the first quarter of 2023.

In 2023, we will work with our Ampol colleagues to further optimise the domestic supply chain by working and planning more closely with our Australian terminal and distribution equivalents.

A more commercial industry

Z has driven the delivery of supply chain transformation and has also pushed to move the industry onto a more commercial footing. On 1 August 2022, the National Inventory Agreement (NIA), under which the major fuel companies shared some fuel infrastructure with each other, ceased to operate. Z is now wholly responsible for our own end-to-end supply chain, commercial agreements and management of stocks held in our owned terminals across the country.

The exit of the industry fuel and infrastructure sharing agreements also delivers efficiencies in our supply chain and greater fuel supply security. Z currently has a cargo of fuel arriving approximately every five-and-a-half days. As the country's largest fuel terminal operator, the ability to import refined cargoes and undertake port deliveries enables more efficient cargoes to be delivered where and when Z needs them.

We also work to reduce operational carbon emissions through port and vessel scheduling efficiencies.

The stabilisation of the import model and the exit from the NIA have enabled Z to increase its wholesale and commercial supply market share, with volumes expected to continue to grow.

Strategy

We are executing against the Game Plan we shared in July 2021, (see pages 22-23).

We have transitioned to an import-only supply chain and our wholesale market share is growing. We are at various stages of exiting business functions that we consider to be discretionary in that they are not a platform for growth in a low carbon future and are not a part of our core business.

We expect these exits to be settled in 2023, enabling us to simplify operations, reduce costs and free up cash flow.

The proceeds from the sell down of a 49 percent interest in our retail property portfolio and releasing working capital from the transition from crude oil refining has been allocated to debt reduction and low carbon investments. Over the nine months to 31 December 2022, we have paid down our USPP debt facility of $378 million, replacing it with Ampol Group debt. Z has reduced debt leverage as forecast.

Low carbon future

Z stands for leading the development of a low carbon economy and knows that's where the country, planet and our business must get to.

The energy transition – the efficient delivery of secure energy sources and the development of low carbon alternatives – is the challenge of our generation.

The paradox we face is the need for this transition to happen swiftly, while acknowledging that New Zealanders have differing capacities to keep pace with change. We will continue with the development of commercially viable low carbon products and services to bring these to the market. We will continue to advocate for policies and initiatives that will support our customers through this transition.

The reality at this time, for the majority of New Zealanders and our economy, is that we are still heavily reliant on liquid transport fuels. Z has a responsibility to continue to sell these fuels while our customers and our economy need them, at the same time as we work to meet the needs of our low carbon early adopters and the next tranche of customers who will be ready to transition soon after. There are strong commercial opportunities in decarbonisation that Z is well positioned to deliver with the scale and commitment of the Ampol shareholding.

An example of commercial opportunities in low carbon fuels is in the electrification of the light vehicle fleet. Z is scaling up to support EV customers with a growing EV charging infrastructure network. The rollout is continuing, and by the end of 2023 we plan to have EV charging available at 20 percent of our Z retail service station sites.

As we look broader than electrification, in 2022 Z successfully sourced and delivered a shipment of Sustainable Aviation Fuel (SAF) – a second generation drop-in biofuel – to Air New Zealand as part of a pilot to test the supply chain and enable us to increase volumes in the future.

While technology solutions for low carbon transport across electricity, biofuels and hydrogen exist, the biggest challenge in bringing these to market remains the economics, whether that be the cost for the new engine technology or the ongoing cost of the new energy and associated infrastructure. In an environment of record inflation and cost-of-living pressures, this remains another complexity that we must consider, requiring us to work differently and more collaboratively with government and like-minded businesses.

The market is now moving rapidly, and it will be the nimble, efficient businesses that can most benefit from it. This is a driver of much of the reform of our business, including the focus on Z's core operations. For example, Z's piloted biodiesel plant Te Kora Hou was permanently closed in July 2022. The plant had been hibernated in 2020, and detailed analysis confirmed that, when compared to the cost of imported biofuels, domestic production has quickly become uneconomic.

We are well placed to continue our journey, layering on the gains we have made from our past to succeed into the future. We have everything to play for.

With Ampol, Z shares a strong common commitment to decarbonisation and supporting the transition for our customers. As part of the Ampol Group there are already significant opportunities to learn from each other. Z now has access to skills, capabilities and learning opportunities within the Ampol Group, both in terms of supplying current customers and meeting the low carbon needs of current and future customers.

Together we will find and develop commercial opportunities to provide new energy products and services regardless of how our customers choose to travel.

Being a leader for our people

We have always recognised that our people are the key to our success and our future. As people have increasing choices about where they can work, we have continued to ensure we are leading the market in our employee experience.

Over 2022, attracting and retaining staff has been a challenge for many businesses as the tight labour market continues with record low levels of unemployment.

Over the year we have taken progressive action to enhance our employee value proposition in a way that aligns to our commitments to diversity and inclusion.

In August 2022, Z announced it was making changes to the employer contribution to KiwiSaver to address the retirement savings gap. These changes will see our people on parental leave being paid the employer contribution as if they are still at work. In addition, for those who work part time and work more than 20 hours a week, Z now pays the equivalent employer contribution to KiwiSaver as if they are full-time employees.

Z has also become more transparent on salaries. Our people can clearly see what salary band their role fits into and where their pay sits within that band and why. This empowers them to have discussions with their managers about the skills and capabilities they need to earn more and brings accountability to our company's commitment to pay equity.

This transparency extends to prospective employees, with salary bands now quoted in job advertisements.

Managing change in a transitioning industry

Z is in a privileged position in both standing for a low carbon future and having a profitable core business to enable us to achieve it. It is vital that we optimise our core business and organise our business so that we can generate the returns we need to invest in a low carbon future.

In September 2022, Z started a process to reorganise its business to ensure it is fit for the future. This is resulting in a number of existing positions no longer being required, while various new roles have been created to reflect our future operations as we transition and support Aotearoa New Zealand's shift to a low carbon future. This is a challenging process for some of our team. We will continue to be transparent, up-front and supportive of all of our people as we go through this process.

A change in leadership

In September 2022, I announced that after over 12 years of leading Z I would be stepping down in March 2023. It has been a privilege to lead Z for over a decade. I am stepping down at a time when our business has real strategic momentum, we are delivering on our commitments, and we have strong opportunities in front of us under new ownership.

I know it's the right time for me to go and for the next stage of Z's strategy.

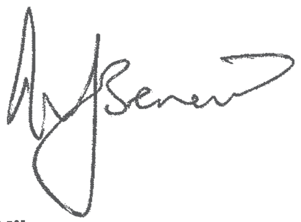
Z is deeply committed to developing its people and we have had a clear succession plan in place for some time. I'm pleased to be handing over my role as CEO to Lindis Jones, Z's current CFO, who has been part of the Z whānau since 2010. Another internal promotion will see Z's GM Commercial, Nicola Law, promoted to CFO.

I am confident that I am leaving the company in exceptionally good hands. Lindis, Nicola and the rest of Z's Leadership Team will continue with our commitments and continue to lead on the things that matter to New Zealanders.

I have never been more confident of the ability of Z to deliver against what really matters. We are backed by an exceptional shareholder, we have incredible talent, and we have built the business that we have always aspired to create in order to deliver for our customers, stakeholders, and country.

We are well placed to continue our journey, layering on the gains we have made from our past to succeed into the future. We have everything to play for.

Kia haumaru te noho



Mike

As a parent of two teenagers I realise that our kids are our biggest backers and our harshest critics…

Nau mai e te tumuaki hou

Introducing Z's incoming Chief Executive

Kia ora koutou

In September 2022, it was announced I would be the new Chief Executive Officer of Z, effective 1 March 2023.

Our current Chief Executive Officer, Mike Bennetts, has provided outstanding leadership over the 12 years he has led Z. Like so many others, I have benefited from his commitment to people and the culture and ambition that exists at Z.

I feel incredibly fortunate to be able to lead Z with the momentum it has. Z has a track record of delivering against the commitments it has established over the last decade, at the same time as contending with significant change and volatility.

I am committed to building upon Mike's legacy. Under my leadership, Z will continue to be a leader in Aotearoa New Zealand's energy transition. We will focus on the investments required to support a low carbon economy, while maintaining energy security, safe and reliable operations, and making sure that the change to our energy systems builds social inclusion and equity.

I am excited about the potential that being part of the Ampol Group creates. The scale and capability of the group will become more important over the next decade as we can expect ongoing change and volatility in energy markets. At the same time, Z is well placed to make a real contribution to Ampol's ambition to be a regional energy champion and have a positive impact beyond Aotearoa New Zealand.

This is important as many of the challenges we now face are global.

At Z we are proudly Kiwi and care deeply about the future of our country. Under my leadership, Z will continue to be for Aotearoa New Zealand, and Z will continue to strive to solve the issues that matter most for our rapidly moving world.

As a parent of two teenagers I realise that our kids are our biggest backers and our harshest critics. I feel deeply the responsibility for the environment and communities we leave for them. As the CEO of one of Aotearoa New Zealand's largest energy providers, a big part of this responsibility is ensuring that Z is an effective collaborator and partner for government, businesses, our customers and Kiwi across the country.

Mike has led the way with such collaboration including his leadership of the Climate Leaders Coalition. You can expect the values that shaped his leadership, and those that we hold dearly at Z, to guide my stewardship of this business and contribution to Aotearoa New Zealand.

Lindis

Ngā raraunga | Our numbers

Results

Nine months to 31 December 2022 results
FY22 comparison (12 months to 31 March 2022)

$108m
Historic net profit after tax
FY22: $269m

$62m
Replacement cost net profit after tax
FY22: $34m

$254m
Replacement cost EBITDAF
FY22: $232m

2.3cpl
Replacement cost net profit after tax per litre
FY22: 1.1cpl

$94m
Net capital expenditure
FY22: $114m

2,672 million litres
Total fuel volume Retail and Commercial
FY22: 3,156 million litres

19%
Brand preference (Aotearoa New Zealand consumers)
FY22: 21%

22,814 kWh
Kilowatt hours sold through EV charging network

41.4 million transactions
Total transactions on Z-branded retail sites
FY22: 52.3 million transactions

2,275
Z's direct employees, contractors and retail network members
FY22: 2,094

+57
Employee net promoter score
FY22: +61

+73
Employee wellbeing net promoter score
FY22: +74

66%
Safety and wellbeing actions close out rate
FY22: 99%*

* The metric used in FY22 (Safety and wellbeing action completion rate) was a Z-own metric focused on completion, whereas the new metric focuses on closing out actions on time.

16,000 tonnes CO2-e
Carbon emissions offset
FY22: 37,050 tonnes CO2-e

9 million tonnes
Total carbon footprint – carbon dioxide equivalent (tCO2e)
FY22: 10.0m tonnes

Ngā take matua ki ngā kaiwhakangao

Stakeholders' most material issues

MATERIALITY

Our material issues

Z is committed to focusing on what we believe to be the most material issues: for our people and our business; for our customers; and for the many different stakeholders with an interest in our business.

In determining materiality, Z engages continuously with stakeholders in both a structured and day-to-day way and records feedback and themes from these engagements.

We continually assess Z's impacts on our economy, environment and communities through our relationships and stakeholder engagement.

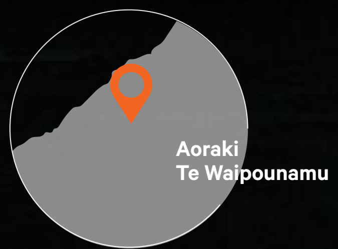
These broad stakeholder groups include: staff; commercial and retail customers; local communities; central and local government; regulators and officials; and members of the media.

Many of the most material issues for stakeholders are inter-related. We have chosen to go into more detail in describing these material issues and have grouped some issues together in the following analysis – for example, safety and wellbeing is combined with incident management.

Safety and wellbeing

Safety and wellbeing is core to Z's social licence to operate.

The nine months to 31 December 2022 have been dynamic and challenging. At the same time as delivering safe day-to-day operations, we transformed the country's liquid fuel supply chain into an import-only model. The country's sole refinery was safely closed and decommissioned.



Z's rate of personal safety incidents reduced over the nine months. The rolling 12-month Total Recordable Incident Frequency Rate (TRIFR) was 3.2, the lowest Z has ever recorded. This was delivered through an increased focus on storeroom design and manual handling practices in Retail and implementation of a site risk assessment process within the Mini-Tankers business.

Covid-19 remained a presence in our business and communities, and we worked hard to keep customers, staff and communities healthy and well.

In October 2022, Z announced a significant reorganisation of its business as it focuses on its core business and new opportunities presented by the energy transition. While this reorganisation has been well signalled for some time, a number of staff are impacted, and some roles will be disestablished in 2023.

Supporting our people through this change and protecting their wellbeing while ensuring safe and reliable operations will continue to be a focus through the first quarters of 2023.

Record high fuel prices combined with inflation at a 30-year high has placed increasing pressure on people and families. This has shown up as an increase in aggression towards retail service station site staff. We are committed to supporting our frontline staff and protecting them from abuse and violence.

Stakeholders remain interested in Z's ability to safely respond to and manage incidents that cause business disruption at scale. Sometimes referred to as crisis management, stakeholders – particularly in the political realm – expect Z to have strong, rehearsed capabilities to manage incidents that may impact the fuel supply chain, natural environment and our people and communities.

Security of fuel supply

Russia's invasion of Ukraine in late February 2022 generated intense interest in both the security and the affordability of fuel supply to Aotearoa New Zealand. The invasion and subsequent impacts on the supply of Russian oil, gas and refined fuels to Europe has led to an energy crisis in many European countries.

Supply security has been a material issue for our stakeholders over the last nine months. The closure of the Marsden Point refinery and the transition of the country's liquid fuel supply chain to one exclusively importing refined fuels raised a number of questions from politicians and the media around ongoing security of fuel supply to consumers and the economy.

Z communicated extensively with stakeholders to ensure it was well understood that the country's supply chain transformation was being well managed, and that supply security was being enhanced through the transition to an import-only model. This was confirmed through an independent review commissioned by the Government and published in 2020.

At the same time as managing a supply chain transformation, Z also reassured consumers and political stakeholders around its commitment not to import Russian fuels.

Affordability

The Russian invasion of Ukraine has pushed global fuel prices to record levels and Aotearoa New Zealand has not been immune from this impact.

The price impacts were significant and immediate. Diesel prices briefly hit a record average price of $2.94 per litre – more than double the price per litre from the same period in 2021.

Spiking fuel prices have occurred during a period in which pressure on household budgets is very high. Inflation has been running at a 32-year high – at between 7.2 and 7.3 percent over the nine-month reporting period – and fuel prices are a contributor to this.

The Government responded by introducing a 25 cents per litre reduction in the excise duty for petrol (being 29 cents including GST) to cushion consumers from the full impact of higher prices – at the time of writing, this reduction will continue until the end of June 2023. As a supplier of just under half of Aotearoa New Zealand's total fuel volume, we remain focused on maximising efficiency, cutting unnecessary costs and continuing to advance alternative energy solutions.

Climate change

As the impacts of climate change are increasingly felt and as Aotearoa New Zealand gets closer to the date of its Paris Agreement emissions reduction commitments (to reduce greenhouse gas emissions to 50 percent below 2005 levels by 2030), stakeholder and customer concern around climate change continues to rise.

The Government has started to develop a national energy strategy, focused on the energy trilemma of fuel supply, affordability, and the transition away from fossil fuels. This is set to be completed in December 2024. In November 2022, the Government delayed implementation of a Sustainable Biofuels Obligation for domestic fuel suppliers, citing the economic impacts on consumers.

There has been broad stakeholder interest/concern around the speed of gross emissions reductions across the economy, including from major emitters and the agriculture sector. Companies are coming under increasing scrutiny to provide transparency about their transition plans and climate-related risks.

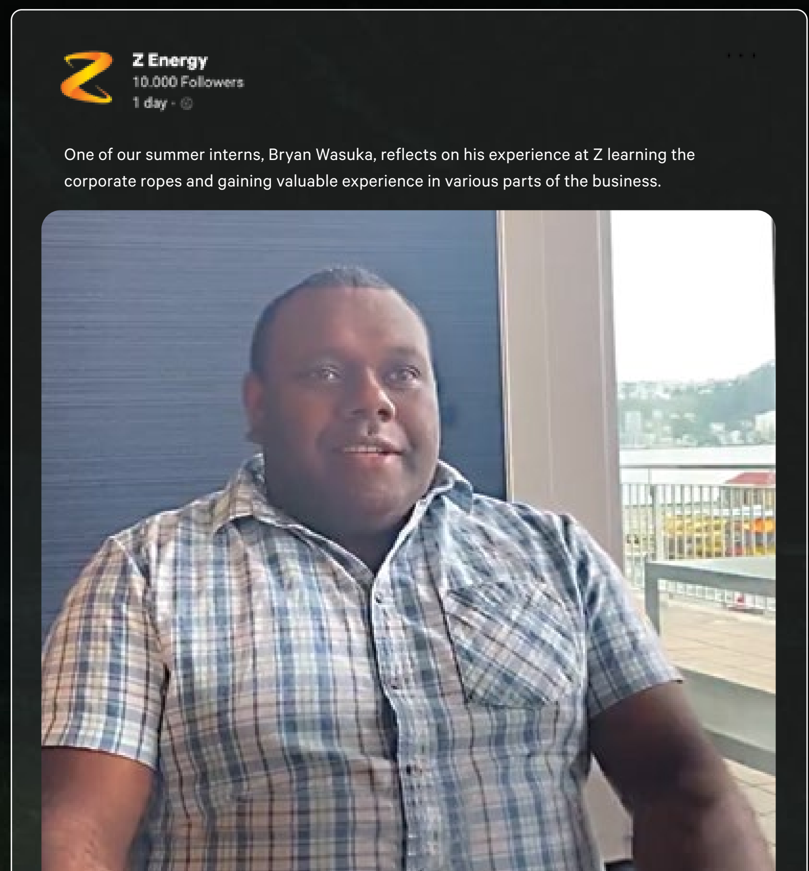
The labour market

Aotearoa New Zealand's labour market has been incredibly tight over the last nine months, with unemployment at 3.4 percent – a level not seen for several decades. This will also be a factor in 2023. Attracting and retaining talented people to lead and manage a critically important essential service and the transition to a low carbon future is a priority that is reflected in a range of Z employment practices and our approach to remuneration.

Across our retail network, Z's retail partners have struggled to find employees, leading to some retail service station sites operating on reduced hours.

Z's contracted fuel delivery trucking company has also struggled to employ sufficient numbers of qualified drivers due to labour market shortages and in November this shortage showed up as an increased number of isolated stockouts at some Z retail service station sites.

Some of Z's own operations, such as its Mini-Tankers machinery refuelling service, have also struggled to find qualified drivers.



Cyber security

In an increasingly digital world, customers and stakeholders expect their personal data to be protected. While this is not a subject that comes up as often as it did a year or two ago, it reflects the assumption that great care is being taken as a matter of course. As a holder of customer data in an increasingly digital world, cyber security remains a priority issue.

For information on how these material topics have been grouped against GRI disclosure requirements please see page 128.

Te whakatupuputupu hua

How we create value

Z is at the forefront of the global energy trilemma: how to provide energy security at affordable prices while protecting our natural environment. Z elects to use the integrated reporting framework as it is focused on how we create value, as well as our future strategy.

MATERIALITY

★ Security of fuel supply, affordability, and climate change

Z's strategy is focused on optimising the core business so we can transition to a low carbon future. We create value by delivering strong returns by operating a safe and reliable fuels business at the same time as identifying future opportunities and investing in the energy transition.

We ensure we generate fair commercial returns for our scale, network strength and the essential infrastructure we own and operate.

Z has a strong, long-term future ahead of it, with commitments to:

Optimise our market-leading position

- Z's unrivalled supply chain infrastructure provides competitive advantage and growth opportunities through its scale and coverage
- As a part of the Ampol Group, Z's supply chain is beginning to deliver very high levels of efficiency and supply security
- Z is one of Aotearoa New Zealand's most recognised and trusted brands capable of extending into new products and markets – for example, electricity retailing, EV charging and alternative fuels
- The scale of Ampol provides Z with options that allow us to adapt and innovate in a market that is transitioning to a low carbon future.

Pursue a differentiated strategy that generates long-term customer loyalty

- Focus on Z's capabilities in customer experience, innovation, and digitisation
- Invest in products and markets that support the transition to a low carbon future
- Deliver distinctive customer products and experiences that drive loyalty
- Reduce time to market and lower investment risk through rapid innovation and experimentation, including in low carbon products and offers.

Allocate capital with discipline to maximise shareholder value

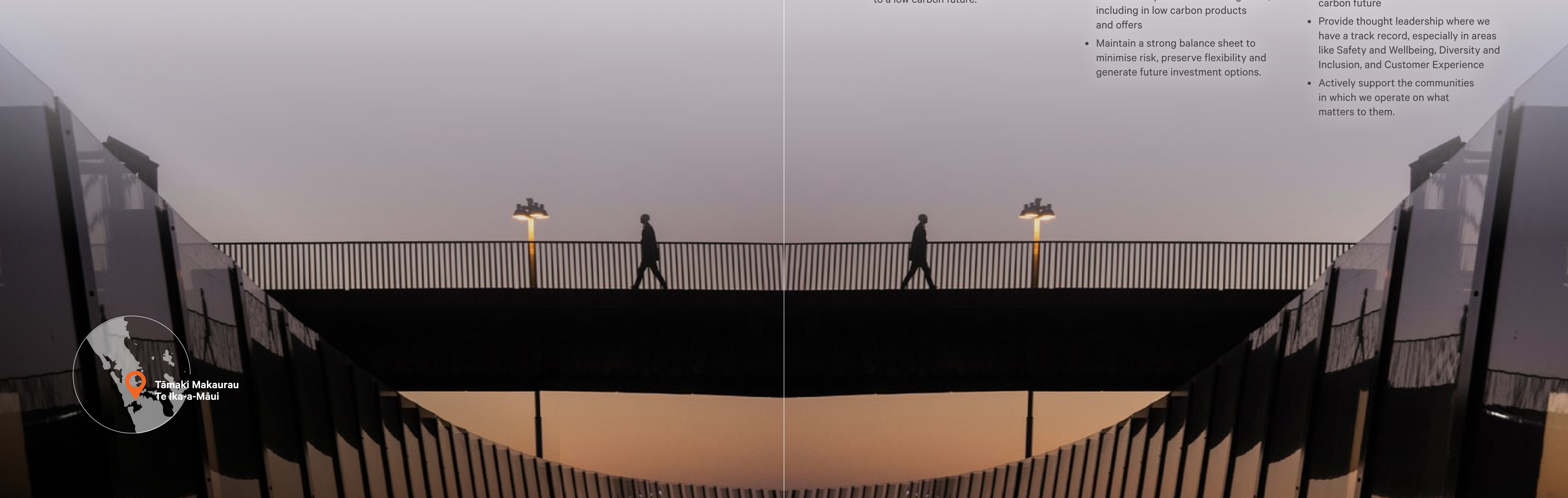
- Manage cash flows and capital to deliver sustainable returns to investors
- Focus on the profitable core business and sell the least productive, non-core assets and operations to fund growth, including in low carbon products and offers
- Maintain a strong balance sheet to minimise risk, preserve flexibility and generate future investment options.

Remain a people- and values-based company

- Committed to our purpose 'to solve what matters for a moving world' and our ambition to be 'a world-class Kiwi company'
- Maintain high levels of employee engagement and customer satisfaction
- Develop organisational capabilities and individual talent both for the safe and reliable operation of the core business, as well as delivering commercial value through the energy transition to a low carbon future.

Do good in Aotearoa New Zealand by recognising our heritage and being committed to future generations

- Contribute to a sustainable future at a scale that few other companies can by supporting the transition to a lower carbon future
- Provide thought leadership where we have a track record, especially in areas like Safety and Wellbeing, Diversity and Inclusion, and Customer Experience
- Actively support the communities in which we operate on what matters to them.



Tō tātou anga pakihi me te rautaki

Our business model and strategy

Always be safe and reliable, deliver awesome customer experiences, generate heaps of free cash flow, and grow our non-fossil fuels income.

We focus on six strategic areas of input and performance that form the foundations of our business:

Our assets and supply chain

Z is the largest transport energy company in Aotearoa New Zealand, and growing. We own a network of strategically located assets at genuine scale across the country, providing unparalleled commercial refuelling stations, retail service stations and bulk fuel storage terminals across the country.

These assets give Z economy of scale. Over 2023, Z will become increasingly connected with the Ampol Group's broader supply chain operations. As part of Ampol's trading and shipping functions, Z will harness the power of increasing scale, offering even more supply chain security and efficiency and a highly convenient and competitive offer for customers across the country.

The integrity of our assets and strength and efficiency of our supply chain to date have successfully delivered Aotearoa New Zealand's shift to an import-only refined fuel business model. Further optimising the efficiency of our supply chain over 2023 will enable us to deliver greater efficiency and security of supply to Aotearoa New Zealand's economy. The strength of our assets and our part in a genuinely trans-Tasman energy business also sets us up well to deliver low carbon energy solutions efficiently and at scale in the future.

Monetising the scale of our assets and continuing to optimise the efficiency of our supply chain provides the foundation for strong returns from our core business.

Our finances

Delivering on our commitments to our shareholder, our communities and our planet requires Z to be profitable.

Z has taken a number of material steps over the last nine months to continue to reduce our cost base, consolidate debt, drive greater supply chain efficiency and deliver a transformed industry structure. Exiting domestic oil refining and its commercial arrangements in Aotearoa New Zealand has reduced earnings volatility through loss of exposure to refining margins at the same time as Z has freed up capital, improved security of fuel supply and delivered volume growth.

While Covid-19 constraints continued over this period, we have continued to strengthen our balance sheet. We have demonstrated financial resilience while concentrating on our core business and delivering new opportunities for organic earnings growth.

Our people and culture

Z has always had a values-based culture that prioritises the wellbeing and personal development of its people in service of business performance. We continue to strive for a diverse workforce and an alignment between personal and organisational values.

There is clear alignment between Z and Ampol's organisational values which share a common commitment to driving change and innovation, accountability for action, and partnerships with the customer at their heart. Both Ampol and Z are committed to opportunities in decarbonisation and transitioning to a low carbon future and to transparency across our organisations.

As the capabilities Z requires concentrate both on our core business and a shift towards the future of energy, we must lead through this period of change in a way that supports people and demonstrates our commitment to a fair and equitable transition to a low carbon economy.

Our environment

At the heart of Z's strategy is optimising the core business so we can transition to a low carbon future. Climate change remains a core concern to Z's stakeholders, customers and to our own people.

One of the commitments that Ampol made in acquiring Z was to invest in the future of the business – in the integrity of its infrastructure assets, the development of the Z retail network and in a range of future energy initiatives.

The commitment to invest $50 million in future energy initiatives by 30 April 2029 was converted into a condition of the acquisition by the Overseas Investment Office (OIO).

This additional commitment of capital will further strengthen Z's investment in decarbonisation initiatives, including in the acceleration of EV charging infrastructure. Z has an active decarbonisation strategy programme underway on a range of decarbonisation opportunities and initiatives across different parts of the business.

Over the last nine months, Z invested $25.9 million in low carbon initiatives, including EV charging stations, fleet EVs and investment in Flick Electric. Z has also integrated its sustainability and community functions to provide a more cohesive approach and create greater impact in how we contribute to these areas. Initiatives in this space include a new biodiversity strategy to support indigenous flora and fauna that is increasingly under pressure from a changing climate.

Our place in Aotearoa New Zealand

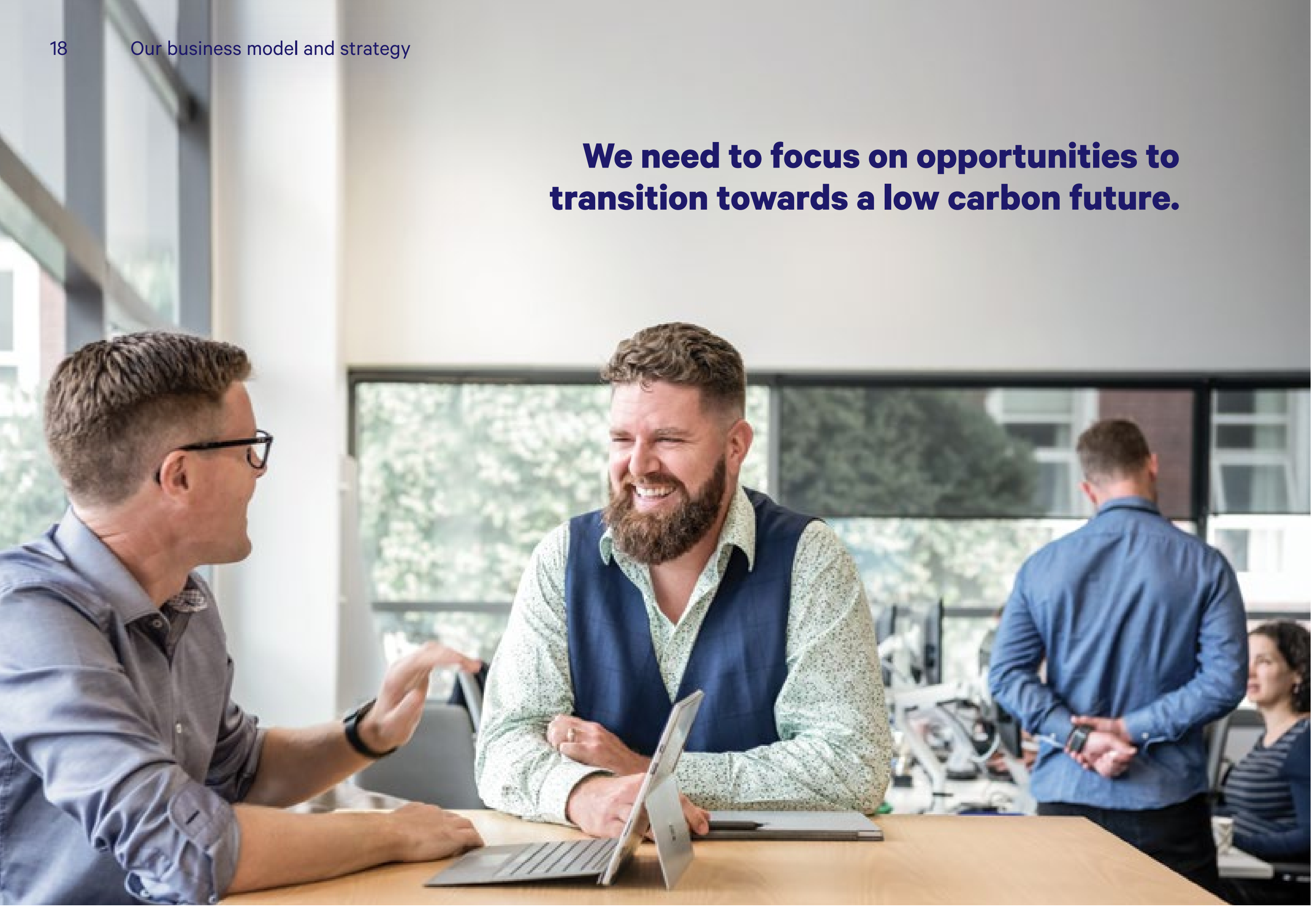
Z's brand promise remains simple: 'Z is for New Zealand'. While now under Ampol's new ownership, and a part of a broader, independent trans-Tasman energy group, Z's purpose and focus remains on delivering value in Aotearoa New Zealand.

Our view is that as part of the Ampol Group we can deliver more value together. Ampol's ownership brings additional scale and resources to continually improve efficiency, deliver value for customers and enhance security of supply for our economy. This also brings wider insight about projects and initiatives in the decarbonisation space for the benefit of Aotearoa New Zealand and our environment.

One of the commitments Ampol made in acquiring Z was to invest in its people, including dedicating additional roles for a Z graduate programme and cadetship. Already Z's people are exposed to a much larger, integrated organisation which is improving learning and creating new development and career opportunities.

We have successfully transformed the country's transport energy supply chain, exited the crude oil supply chain and around one million tonnes of CO2-e has been cut from the transport energy sector through the closure of the Marsden Point refinery.

We have continued to focus on delivering against the country's climate change commitments and have recommitted to our leadership position on supporting the development of a low carbon economy.



We need to focus on opportunities to transition towards a low carbon future.

Our capabilities

Z continues to evolve and in May 2022 Z was acquired by the Ampol Group. The coming together of these two companies has created a unique trans-Tasman energy company of genuine scale with flexibility and the ability to think creatively in an Australasian context.

Ampol has a 100-year history in Australia's transport fuels industry and is a large-scale, independent energy company that is publicly listed on both the ASX and NZX. In 2020, its shareholders voted to adopt the Ampol brand following the company's earlier use of the Caltex brand under a licensing agreement. Ampol operates a retail service station network of 1,800 Ampol-branded sites across Australia, a refinery at Lytton and is investing in the rollout of EV charging infrastructure across Australia. Ampol also operates a fuel trading function based in Singapore.

Both companies are committed to learning from each other and to bringing together our capabilities and experience to grow a trans-Tasman energy business.

The capabilities Z needs are changing. For example, managing an import-only supply chain no longer requires management of a crude oil supply chain or the interface with a refinery or domestic coastal shipping network.

Delivery of our strategy requires tight focus on our core business. We intend to exit the non-core areas of our business – bitumen supply, the supply of general aviation fuel to small airfields, lubricants, bulk fuel storage on customer sites and the Mini-Tankers on-site direct-to-machine refuelling operations.

We have enhanced the digital capability of our teams and continue to build a mature safety and wellbeing capability across the business.

In October 2022, Z announced a reorganisation of our business to support the focus on optimising the core business in order to realise commercial opportunities in decarbonisation. As we tighten our focus on the core business, the skills and capabilities we need continue to shift towards growing non-fuel income, increasing value through optimising the supply chain and increasing value through our supply chain infrastructure.

At the same time, we need to focus on opportunities to transition towards a low carbon future. To do this successfully requires understanding of the changing energy landscape and an ability to identify and execute opportunities for growth from decarbonisation. In a tight labour market, Z will continue to both develop and recruit for the capabilities we need to continue to optimise our core business and help us lead the development of a low carbon future.

Z prioritises the following inputs and outcomes:

Te pūtake Our purpose	Ngā tomonga Our inputs	Ngā putanga Our outcomes
Te whiriwhiri he aha ngā āhuatanga matua ki te ao nekeneke Solving what matters for a moving world	Our assets and supply chain	Link: From the Chief Executive Officer Link: How we create value Link: Delivering against our commitments Link: Case Study 1 Link: Case Study 2 Link: Case Study 3
	Our finances	Link: From the Chief Executive Officer Link: Our numbers Link: How we create value Link: Delivering against our commitments Link: Case Study 1 Link: Case Study 2 Link: Case Study 3 Link: Financial statements
	Our capabilities	Link: From the Chief Executive Officer Link: Our numbers Link: How we create value Link: Delivering against our commitments Link: Case Study 1 Link: Case Study 2 Link: Case Study 3 Link: Our people
	Our people and culture	Link: From the Chief Executive Officer Link: Our numbers Link: Stakeholders most material issues Link: How we create value Link: Delivering against our commitments Link: Case Study 2 Link: Safety and wellbeing Link: Diversity and inclusion Link: Our people Link: Additional disclosures
	Our environment	Link: From the Chief Executive Officer Link: Introducing Z's incoming Chief Executive Link: Our numbers Link: How we create value Link: Delivering against our commitments Link: Case Study 2 Link: Environmental sustainability and Community Link: Assessing Z's climate risks and opportunities Link: TCFD index
	Our place in Aotearoa New Zealand	Link: About this report Link: From the Chief Executive Officer Link: Introducing Z's incoming Chief Executive Link: How we create value Link: Delivering against our commitments Link: Case Study 1 Link: Our people Link: Environmental sustainability and Community

Ngā kōkiritanga

Delivering against our commitments

In July 2021, the Z management team presented its strategy in a full-day session with institutional investors.

Z's 2021 strategy laid out what Z referred to as its 'game plan' – a series of commitments the company would deliver upon by the end of the 2024 financial year in order to continue to generate value from executing its strategy.

These commitments were grouped into three categories:

1. **Optimise the core business**
2. **Transition to a low carbon future**
3. **Disciplined capital management**

Z has remained tightly focused on delivering against these objectives. Throughout the process of Ampol acquiring the shares in Z, Ampol backed Z in continuing to execute against the strategy and deliver these commitments.

The Game Plan to end FY24

With 15 months still remaining against these commitments, this is how we are tracking:

Optimise the core

- Optimise the retail and truck stop network for the forecasted 2030 demand
- Grow wholesale market share
- Transition to an import-only supply chain
- Exit discretionary activity
- Further cost reductions from simplification.

Transition to a low carbon future

- Grow CR revenue to $500m
- Scale up to the fullest extent of the biofuels mandate
- Maintain relevance in hydrogen and preserve options to scale quickly
- Evaluate adjacency opportunities within the electron system.

Disciplined capital management

- Deleverage to ~1.5x net debt / EBITDAF
- Repay debt as it falls due
- Execute REIT for retail properties
- Reliable dividends within the existing distribution policy, with options for specials and buybacks.

Optimise the core		
Optimise the retail and truck stop network for forecasted 2030 demand	●	Retail network continues to consolidate around best sites, lower tier sites sold or closed. Major refresh of convenience retail offer well advanced.
Grow wholesale market share	●	MBIE data confirms market share of 44 percent at September 2022 compared to 40 percent in June 2021.
Transition to an import-only supply chain	●	Exited domestic refining in March 2022 and National Inventory Agreement in August 2022.
Exit discretionary activity *(activity that does not provide a platform for growth in a low carbon future)*	●	Exit of discretionary (non-core) business activity planned for 2023.
Further cost reductions from simplification	●	Run rate of $22m of simplification benefits reflected in the 2023 plan.
Transition to a low carbon future		
Grow convenience retail (CR) revenue to $500m	●	Disrupted by Covid-19 but YoY sales up 3.6 percent and on track to reach $500m target. There is uncertainty around the future regulatory environment for the continued sale of tobacco.
Scale up to the fullest extent of the biofuels mandate	N/A	Government's 2023 Sustainable Biofuels Obligation was permanently scrapped in February 2023.
Maintain relevance in hydrogen and preserve options to scale quickly	●	Hydrogen is being explored as a potential fuel.
Evaluate adjacent opportunities within the electron system	●	Since 2021, we've invested further in Flick Electric, secured long-term electricity supply contracts, commenced roll-out of a national EV charging network, announced a new EV charging pilot with new technology, and are continuing to develop new opportunities.
Disciplined capital management		
Deleverage to ~1.5x Net debt/EBITDAF	●	Completed. Leverage will now be managed as part of Ampol Group and within debt covenants.
Repay debt as it falls due	●	Debt has been paid down with cash flow faster than required; Z's $378 million USPP debt has been paid down and replaced with Ampol Group debt.
Execute REIT for retail properties	●	Completed in October 2022 with cash proceeds of $132 million.

Key ● on track ● behind schedule

Case study 1

Te iho o te pakihi – te rerenga o te hinu

The heart of our business – the fuel supply chain

MATERIALITY

Security of fuel supply

40%

Directly owns and operates nine bulk fuel storage terminals with total storage representing just over 40% of New Zealand tankage

as at 31 December 2022

At the heart of our business and our strategy is our supply chain.

Supplying just over half of the country's total liquid transport energy requirements, our supply chain is also at the heart of Aotearoa New Zealand's economy.

In the nine months to 31 December 2022, the country's transport fuel supply chain was entirely transformed in the biggest structural change in more than 60 years. This transformation occurred at the same time as Ampol was working to acquire the shares in Z and coincided with Russia's invasion of Ukraine and spiking fuel prices globally.

Historically, Aotearoa New Zealand has relied on a mix of heavy crude oil, largely imported via a 30-day journey from the Middle East, and cargoes of refined fuel imported directly into ports around the country. The crude oil was refined at the Marsden Point refinery and then shipped to fuel terminals at ports around the country in two dedicated coastal fuel tankers.

While it served the country well, it was a complex, inflexible and unduly challenging supply chain to manage. It was emissions-intensive with a sub-scale and increasingly uneconomic crude oil refinery at its centre.

Price, security, carbon

The three most material issues for Z's stakeholders over the nine months to 31 December 2022 were security of fuel supply, fuel prices and climate change. The transformation of the liquid fuel supply chain has directly addressed these issues, delivering a more resilient supply chain with significantly improved security of supply to customers and the economy at efficient prices and with reduced emissions.

With the successful and safe conversion of the Marsden Point Refinery to Channel Infrastructure – a dedicated refined fuel import terminal that operates the fuel pipeline into the Wiri Terminal in South Auckland – Z now has a shipment of refined fuel entering a port in Aotearoa New Zealand every five-and-a-half days. There are multiple shipments of refined fuel on the water at any point in time, enabling greater flexibility and security to meet consumer needs.

In response to the proposed change to the supply chain, the Government commissioned an independent review of moving to a refined fuel import-only supply chain. The Government's announcement of the findings of its review included the following comment:

> "An independent review of national fuel security was done when New Zealand's refinery signalled it would transition to an import-only terminal for storing fully refined fuels.
>
> The review found the refinery's closure improved the overall resilience of our fuel supply chain in the sense that we no longer face the risk of a single point of failure associated with an unplanned refinery outage, and fuel companies now deliver fuels to New Zealand in more frequent shipments from more diverse sources."

As the supply chain becomes more efficient and with the removal of price volatility associated with exposure to refining margins and the historic industry funding agreements that governed Refining NZ, the new import-only refined fuel supply chain is also more cost effective. Exiting the crude oil supply chain has resulted in a $170 million release of working capital previously tied up in crude oil inventory.

The closure of the sole domestic refinery at Marsden Point removed approximately one million tonnes of CO2-e emissions annually from the domestic supply chain and sets Aotearoa New Zealand up for the transition to a low carbon future. No longer requiring two coastal fuel tankers has further reduced Z's operational emissions.

A more commercial domestic supply chain

Aotearoa New Zealand's domestic supply chain has historically lacked commercial discipline and accountability. Under the National Inventory Agreement (NIA), an industry agreement to facilitate sharing of access to fuel terminals, companies were not rewarded for their investment in fuel infrastructure. As a result, underinvestment was common in domestic fuel storage infrastructure.

With Z owning just over 40 percent of the country's bulk fuel storage infrastructure, the rest of the industry relied on Z's assets under the NIA.

Over the nine months to the end of December 2022, Z delivered against its commitment to fully exit the NIA and move terminal fuel pricing onto a commercial basis. Z will continue to provide competitors with access to its terminals but ensure it is fairly remunerated for doing so.

Under the NIA, all major companies shared fuel supplies and access to terminal infrastructure. This reduced the financial impacts of poor sales demand forecasting – as companies could just borrow from somebody else if things got tight – and stifled investment in supply chain infrastructure. In exiting the NIA, Z has signed four bilateral agreements with other fuel suppliers at different Aotearoa New Zealand ports on a commercial basis.

Building an efficient, optimised supply chain requires strong commercial capabilities across the company and this has been an area of focus over the nine months to the end of December. As we continue to improve the efficiency of the supply chain over 2023, we look forward to continuing to learn from our Ampol supply and trading colleagues, and ensuring we continue to build the commercial capabilities we need.

A growing wholesale supplier

At Z's 2021 investor day, we committed to delivering $15-$25 million in wholesale fuel growth.

Consistent with this commitment, Z has introduced Terminal Gate Pricing (TGP) – the supply of fuel via bulk fuel terminals to wholesale customers/competitors at a published, transparent price – across all of its terminals.

Z has used the commercial operation of its terminal infrastructure to significantly grow its market share as a wholesale supplier – by approximately five percent – from September 2021 to June 2022, according to MBIE data.

In November 2022, the Commerce Commission was given powers to regulate terminal gate wholesale prices if competition was deemed to be inadequate. This was a consequence of the 2020 fuel market study and was expected. As evidenced by strong market share gains, the wholesale market is competitive and transparent, and Z sees no reason for these powers to be used.

More efficiency and value to come

Z's supply chain is now more efficient, flexible and resilient than it has been at any point in the past, but there remains more efficiency and value to be realised. Part of the attraction for Ampol in acquiring the shares in Z, and for Z in becoming a part of the Ampol Group, is the opportunity to drive further efficiency through a combined, regional approach to supply fuel across Asia Pacific.

In 2023, Z's contracts with an Asia Pacific refiner and international supplier will come to an end with the option for Ampol to integrate some or all of this volume into its supply chain and Singapore-based trading function.

Z's supply chain transformation strategy has worked through three phases: transition, stabilise, and optimise. Over 2023, the focus will be on further optimising the supply chain and realising greater value and efficiency from integration with Ampol. In line with the wider integration principles, we aim to make the supply chain better and stronger and be more ambitious in doing so.

Working with our Ampol colleagues, we will be looking at aligning shipping options with domestic storage capacity, potentially bringing larger ships and greater fuel volumes into certain ports in order to continually improve supply chain economics, bring down CO2-e emissions and deliver competitive prices to Z's customers.

Z's transformed supply chain

Previous supply chain

- Crude oil and refined fuel imports
- Domestic crude oil refining
- Infrastructure sharing arrangements under National Industry Agreement (NIA)
- Coastal fuel shipping network

Current supply chain

- Exit of crude oil supply chain
- Refined fuel import model
- Commercial, transparent operation of infrastructure

Previous supply chain

Z's current supply chain

Case study 2

Te taiao me ngā panonitanga

Climate change and the transition challenge

Climate change remains a consistent material issue of concern across all of Z's stakeholders.

MATERIALITY

Climate change

Over the nine months to the end of December, Z took a number of important steps that enable the company to continue to transition towards a low carbon future – particularly exiting the crude oil supply chain, the closure of the country's crude oil refinery and the exit of non-core operations.

The adoption of an import-only refined fuel supply chain provides more flexibility to quickly change direction and use existing assets and infrastructure to potentially distribute a variety of lower carbon transport fuels, for example biofuels and hydrogen, depending on customer demand.

It is customer demand where the challenge of seeking to lead the energy transition becomes particularly tough: we all acknowledge the need to transition to a low carbon economy, but we are also required to provide a secure and affordable supply of the fuels that our customers and our economy need and want.

This is the inherent challenge of the energy trilemma: as the urgency for action to limit global temperature rise to 1.5 degrees Celsius grows, transport and energy policy settings are not yet driving consumer behaviour change fast enough to achieve the trajectory necessary to meet this goal. As a country we have set a commitment to 100 percent renewable electricity generation – comparably simple given the base is approximately 85 percent renewable already – but no such targets have been set for transport.

With 17 percent of Aotearoa New Zealand's gross domestic emissions coming from transport, the consumer switch to cleaner transport energy fuels must accelerate if we are to meet our international commitments as a country. Z is committed to delivering the fuels our customers need today while also ensuring we are ready to switch quickly to alternative energy forms, like electricity and hydrogen.

This is the essence of our strategy: to optimise our core business so we can transition to a low carbon future. As a condition of the Ampol acquisition of the shares in Z, Ampol has committed to investing $50 million in future energy initiatives by 30 April 2029. By the end of 2023, Z is budgeting to have invested $46 million in a range of low carbon initiatives, focusing primarily on electrification.

In 2021, Z's Board conducted a thorough review of the global and domestic climate change response, including a review of emerging technologies, trends and the policy environment. The Z Board concluded that there were significant commercial opportunities for Z to deliver increased earnings through careful investments in decarbonisation.

This is a view shared by both Z and Ampol and the two companies are committed to working together to generate and realise decarbonisation investment opportunities at scale. In November 2022, Z created 12 additional roles in our Strategy and Risk Team dedicated to supporting Z's decarbonisation work.

Electrification of transport

Z is well positioned to support the electrification of the light transport fleet. Electric vehicles are steadily increasing in volume – over the 2022 calendar year, EV registrations more than doubled from 2021, with just under 50,000 EVs now registered in Aotearoa New Zealand.

Z is rapidly expanding its EV charging network to meet the forecast demand. By the end of 2023 we plan to have EV charging available at 20 percent of our Z retail service station sites.

EV chargers

Planned for at 20% of Z retail service stations

By end of 2023

Z is also investigating options around dedicated, new, large-scale EV charging sites on main route locations.

Red Phase EV charging demonstration project

In November 2022, it was announced that Z will partner with EV charging technology company Red Phase to introduce the first super-high-capacity EV charging station at Z's Waiouru retail service station site.

The Waiouru retail service station site (in the Central North Island) suffers from electricity supply constraints and this project will serve as a demonstration project for how a new technology solution can deliver high-speed charging while reducing impacts on the electricity network.

We expect to learn from this demonstration project whether there is commercial opportunity across other parts of the Z network using this technology.

Z is committing some investment to this demonstration which also involves a partnership with local electricity network, Powerco. This new system will provide four EV charging points at Waiouru – a major highway location for travellers. Each charge point will deliver up to 200kW.

An integrated energy provider

Z has been a majority owner of Flick Electric, an independent electricity retailer, since 2018. Z now owns 95 percent of Flick, whose team has recently co-located to the Z Shed in Wellington to facilitate closer collaboration. Z and Flick are working together to bring new electricity products to market. Electrification is key to decarbonising Aotearoa New Zealand's economy and Z's view is it needs to have a strong presence in the electricity sector.

Z will bundle future-focused electricity products and offers to its fuel customers as well as provide competitive retail electricity to homes on a stand-alone basis.

Biofuels – uncertainty reigns

The economics of alternative low carbon fuels is moving quickly. EV uptake is exceeding expectations and in July 2022, Z announced the permanent closure of its biofuel production plant Te Kora Hou in South Auckland as the economics of domestic biofuel production had deteriorated.

Biofuels have been widely used around the world for many years but their introduction into Aotearoa New Zealand has been fraught with political uncertainty. In 2007 the then-Labour Government introduced a biofuels sales mandate which was scrapped by the subsequent National Government. In 2021 the Government again committed to a Sustainable Biofuels Obligation coming into effect in 2023, but in October 2022 this was pushed out until 2024 due to increasing inflation pressures on the cost of living. In February 2023, the Government permanently scrapped the Sustainable Biofuels Obligation. The current Opposition has said it will not mandate biofuel sales.

This is a good example as to how policy uncertainty can impact on our energy future and make the setting of emissions reduction targets – for both the industry and our customers – very difficult. With electrification of the light vehicle fleet now occurring, it is possible that biofuels may make their most material impact in the heavy vehicle fleet with biodiesel and also in aviation with sustainable aviation fuel.

Z will bundle future-focused electricity products and offers to its fuel customers as well as provide competitive retail electricity to homes on a stand-alone basis.

Sustainable Aviation Fuel

In September 2022, Z imported 1.2 million litres of sustainable aviation fuel (SAF) for Air New Zealand. This is enough fuel to power approximately 400 flights between Wellington and Auckland.

The aviation industry globally is reported as producing between two and two-and-a-half percent of the world's CO2-e emissions.

The imported SAF was sourced in conjunction with Neste. It was delivered into Channel Infrastructure's fuel import terminal at Marsden Point and delivered via pipeline to Air New Zealand at Auckland Airport.

One of the primary purposes of the import was to begin to test the supply chain, which worked well. Z is committed to continuing to source and import increasing volumes of SAF in line with its customers' requirements.

Hydrogen

Z maintains a watching brief on the potential for hydrogen to emerge as a clean fuel for heavy transport. We are building partnerships with potential providers.

The strength of Z's existing network could also be used for hydrogen, and over 2023, Z will look for early opportunities to support the development of a hydrogen industry.

Being a part of the larger Ampol supply chain offers the potential to source and deliver alternative fuels in the future at scale that may not have been possible prior to the Ampol acquisition.

Climate court case proceeds

Chair of the Climate Change Iwi Leaders' Group, Mike Smith, continues to take court action against seven domestic companies, arguing there is a duty of care under the law in relation to climate change.

The current court action has been considered by the Supreme Court and a judgement is pending. Z understands the intent behind the action – that there needs to be greater accountability for emissions reduction across the economy at all levels – but does not believe an adversarial court process is the most constructive way to deliver emissions reductions.

Z is committed to finding common ground and building relationships with any party that wants to support and work towards emissions reduction.

Greenwashing emerging as a global climate issue

The current fuel product mix that Z's customers use contributes to approximately 10 percent of Aotearoa New Zealand's gross emissions. We're committed to bringing that down and we're working to deliver lower carbon transport options. That doesn't mean it's easy and we're committed to being open, honest and transparent about our progress and the challenges we face.

Z has always been committed to emissions reductions and a low carbon future. In October 2022, a complaint was made to the Commerce Commission claiming Z's 'Moving with the Times' campaign was 'greenwashing'.

The complaint was rejected. Z welcomed the challenge and remains committed to ensuring that what we say lines up with what we do. We acknowledge that care must be taken here, and in November 2022, Z ran an internal training workshop with 24 staff to discuss the phenomenon of greenwashing, and established a 'green claims' framework on how to avoid it.

192 sites

Z branded retail service stations

FY22: 193

Case study 3

Te pito o te rārangi whāngai – ko te kaihoko

The end of the supply chain – our Retail customer

At the very end of Z's supply chain is the most visible part of our business – our network of Caltex and Z-branded retail service stations.

Over the last two years, our retail service station sites have safely served their local communities during the Covid-19 pandemic and multiple lockdowns. As Aotearoa New Zealand emerges from Covid-19 we are investing in the future of our retail business.

As we diversify our business and prepare for a transition away from conventional transport fuels, we are targeting additional revenue streams. We have a strong EV charging pipeline under way and have set a target for $500 million of revenue from convenience retail by 2025. While Covid-19 has been a challenge, we are investing in our convenience offer and are confident of reaching the target. At the end of December 2022, Z has overhauled its café offer in 50 of its retail service station sites, with new high-quality, manually operated espresso machines and extensive staff training.

By mid-2024, we will have our flagship food and coffee offer across 100 Z retail service station sites. Our focus is on high standards, service and quality.

In the sites where our refreshed coffee and food offer is in place, revenue is up substantially. Where we also combine EV charging infrastructure with our new café offer, we expect to be able to materially grow revenue through serving EV drivers.

We are also investing in speed and convenience for our customers. Our automated 'pay by plate' offer is available across 60 sites, we have pay at pump options across almost the entire Z network and we continue to make offers through the Z App. We continue to invest in our loyalty offer and delivering the best customer experience.

Z continues to work towards our strategy commitment of optimising our network. In October 2022 we completed a sale and leaseback of a 49 percent ownership interest in 51 of our retail service station sites, with guaranteed renewal options for Z, providing ongoing control, additional flexibility and boosting balance sheet strength.

We continue to close our lower tier sites to focus on consolidating around an efficient network. The primary challenge we face in opening back up post Covid-19 is access to staff. Currently our retail partners cannot secure enough staff to run our retail network at capacity and are having to close sites early, for example at night.

Being unable to employ enough people to run our sites is a handbrake on our operations and on the economy. We know that it is impacting service and hospitality businesses across the country.

Tobacco control and retail

The regulatory environment around the future sale of tobacco is also uncertain. Z supports efforts to cut tobacco consumption but also acknowledges that, as a legal product, consumers should have access to tobacco from safe, controlled retail premises. As smoking rates fall, Z continues to invest in the diversification of a high-quality convenience retail offer.

Te tū a Z

What Z stands for

Z stands for the things most important to our customers, communities, stakeholders and our own people. We seek to lead in these areas and to make important contributions that benefit Aotearoa New Zealand.

We have four simple stands:

Environmental sustainability

Z will move from being a part of the climate change problem to the heart of the solution.

Community

A resilient and healthy Aotearoa New Zealand that empowers our youth, neighbourhoods and Z whānau.

Diversity and inclusion

Being successful being ourselves and reflecting Aotearoa New Zealand.

Safety and wellbeing

Enhancing the lives of our people and communities.

Z's performance against these four stands can have the greatest impact on the 10 UN Sustainable Development Goals identified below.

Te tiaki taiao

me

Te hapori

Environmental sustainability

and

Community

A resilient and healthy Aotearoa New Zealand that empowers our youth, neighbourhoods and Z whānau

In the second half of 2022, Z consulted on our vision and commitments around environmental sustainability and supporting local communities. The purpose of this review has been to ensure the actions we take deliver meaningful and measurable impact on our natural environment and communities.

The outcome of the review is a refreshed Community and Sustainability Strategy. The strategy provides a clear pathway for how Z can achieve meaningful social and environmental outcomes in areas in which we can have the greatest impact and are most relevant to our business and the communities in which we live and operate.

It has been developed in a way that allows Z to constantly challenge our level of ambition and redefine what success looks like in the future.

We now capture these commitments in a holistic and integrated way, acknowledging the interconnectedness between the health of people, communities, and our natural environment. We now talk about sustainability as an umbrella covering both environmental sustainability and the health of local communities.

Community and Sustainability Framework

This framework has been carefully designed to reflect a Te Ao Māori approach in which the balance and interdependency of all things is recognised. This is reflected in some of the new initiatives Z is undertaking and the partnerships we are forming. It is also supported by additional annual operational funding of $3 million to deliver with impact against our sustainability and community commitments.

Our Vision

Our stands are aimed at changing the game in Aotearoa New Zealand for the better. Realising an extraordinary future means going beyond that of most companies.

Community

We stand for a resilient and healthy Aotearoa New Zealand that empowers our youth, neighbourhoods and Z whānau.

Environmental Sustainability

We stand for an environmentally sustainable Aotearoa New Zealand that is an example to the rest of the world and an inspiration to Kiwis.

Arahi Whanaketanga
Lead transition

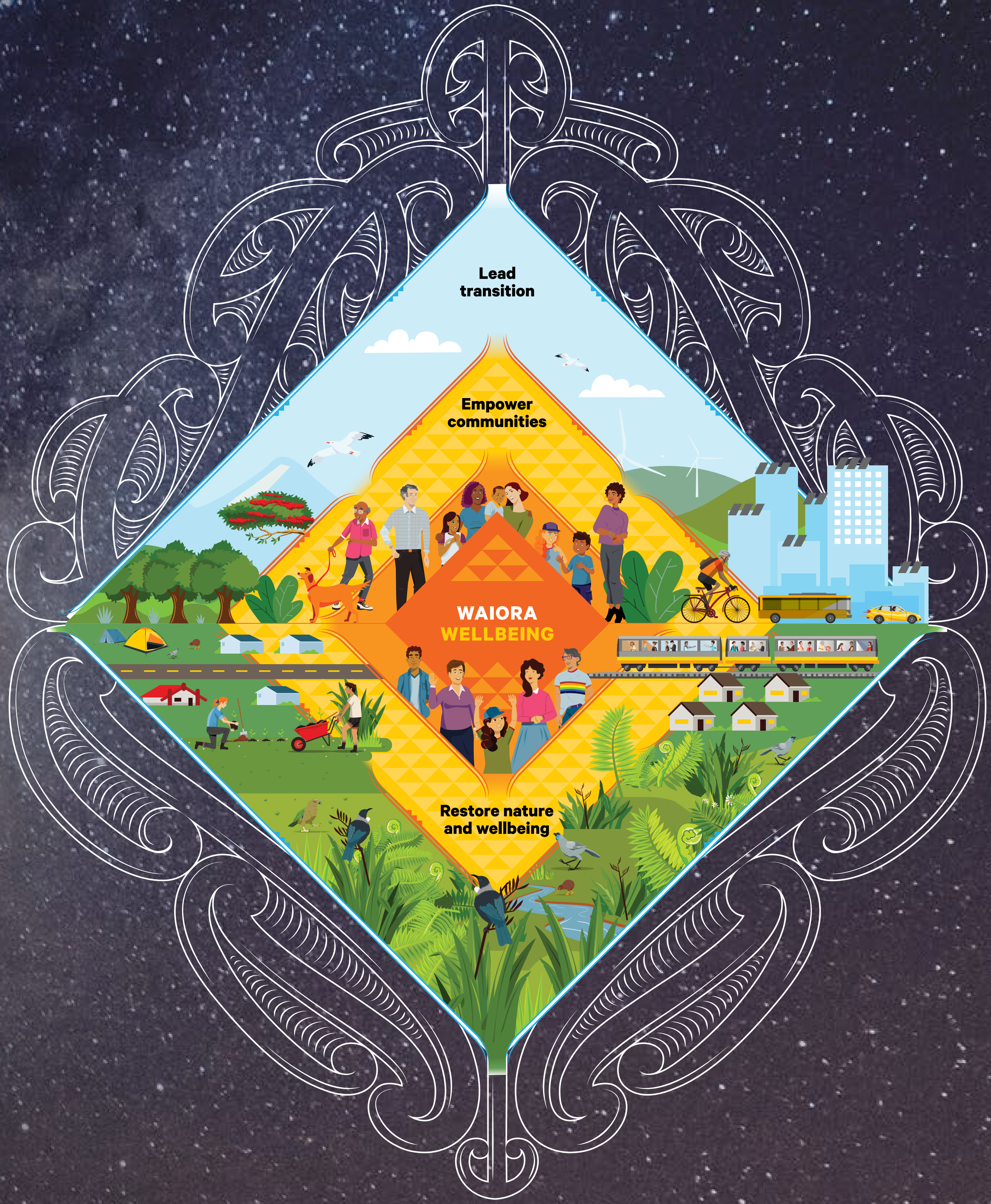
We will take bold action in response to climate change to reduce our own impact, work with our customers, suppliers, and partners to reduce theirs and provide solutions that will enable New Zealanders to join us on the path to a low carbon future.

Whakamana Hapori
Empower communities

We will actively support local communities in the locations where we operate, enabling more New Zealanders to live the lives they value and empower the young people of Aotearoa New Zealand to reach their full potential.

Whakahaumanu Taiao
Restore nature and wellbeing

We leverage our scale and unique capabilities to foster restorative and regenerative actions that have a positive impact on communities, nature, and intergenerational wellbeing.



Z worked with Māori design agency Ira to help articulate the strategy and highlight how it aligns to a Te Ao Māori world view, and consulted with our Māori staff to ensure the result was authentic and meaningful to Z.

The outer patterns of this image form the kōwhaiwhai. The two shapes in the kōwhaiwhai are pūhoro and mangopare. The mangopare in the top half is inspired by the stingray. It has two dynamic sides in balance. This speaks to dynamic energy and momentum and relates to how you pursue a commitment. The pūhoro in the bottom half is a shape that represents how a waka moves through the water with speed and agility. Like mangopare, it speaks to the energy and commitment to achieve objectives.

The inner pattern of this image is Pātiki, this is the name of a star constellation that is seen when flounders (also called pātiki) are abundant. The diamond shape is from the shape of the flounder. It represents an abundant and sustainable ecosystem. Hence food is in abundance through the alignment of heaven and earth, land and water. A thriving ecosystem enables a thriving people and community. This in turn enables that community to be able to extend their resources to others in an expression of generosity and open-hearted kindness. Pātiki therefore is a cultural design that speaks to a balanced environment for a prospering people.

MATERIALITY

Climate change

In September 2022, Z launched a new $1 million biodiversity fund to support initiatives that improve the resilience of Aotearoa New Zealand's indigenous biodiversity.

We acknowledge that indigenous biodiversity is under increasing pressure from a range of sources: introduced pests and predators, pollution and a changing climate.

This fund is committed to actions and partnerships that contribute to:

- innovation to accelerate nature restoration
- improving financial incentives for restoration of important ecosystems most vulnerable to climate change, and
- restoration that delivers real co-benefits such as education, training and employment opportunities to support an equitable transition to a low carbon future.

Against these objectives, Z has formed three foundation partnerships.

Partnership 1

The Nature Conservancy's Blue Carbon Project

Z's first partnership under its biodiversity fund is with The Nature Conservancy in support of its Blue Carbon Project – an initiative designed to enable increased storing of carbon in the coastal marine environment through healthy, thriving biodiversity.

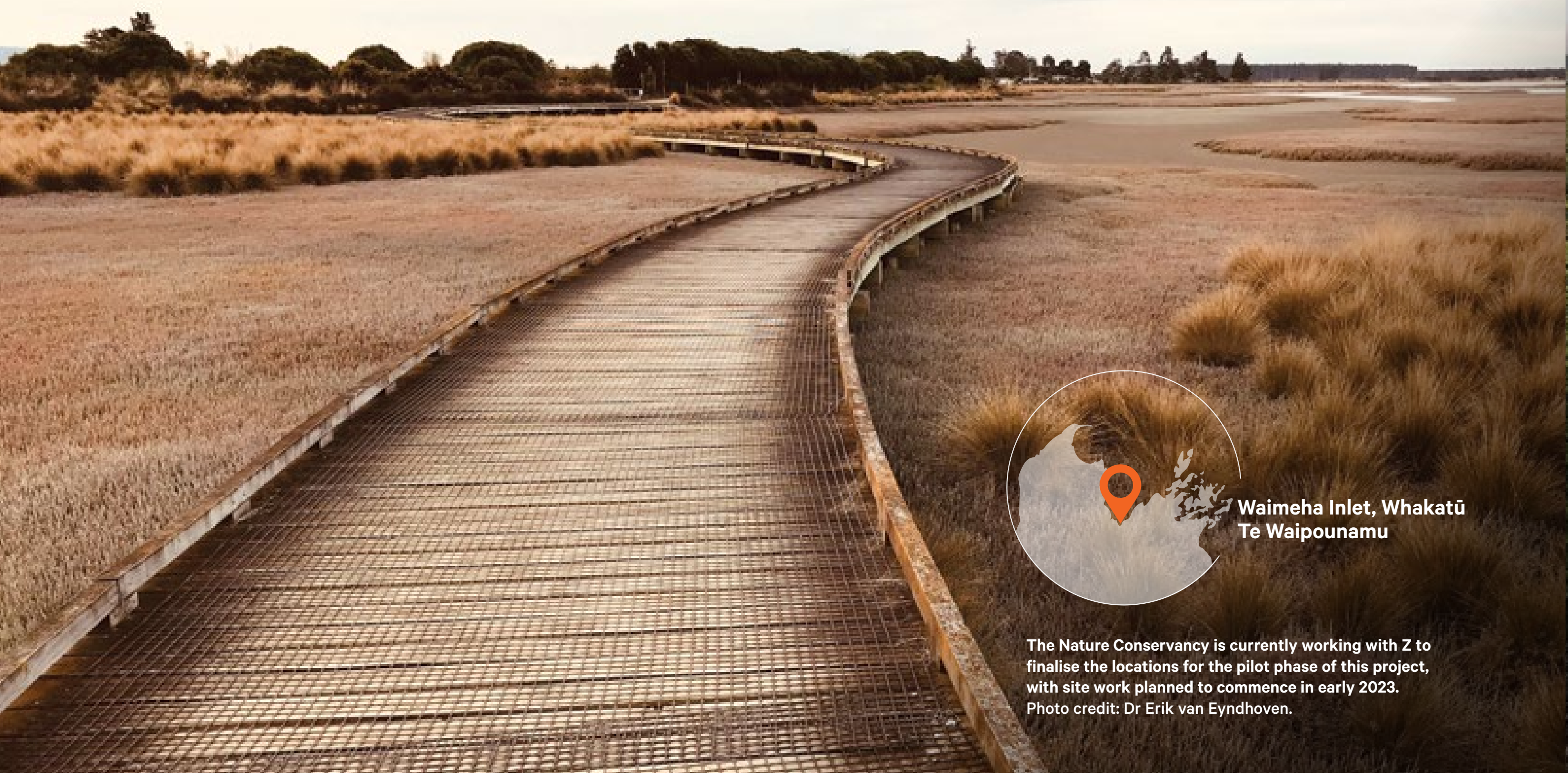
Carbon captured in coastal ecosystems can remain in the soil for thousands of years, making this one of the longest-term natural solutions to climate change.

The Blue Carbon Project complements other blue carbon research work in Aotearoa New Zealand and will work to implement a natural climate solution by restoring significant estuaries and wetlands in coastline locations across Aotearoa New Zealand, maximising the 'blue carbon' storage potential of our natural ecosystems.

Z's support of $500,000 will help with the pilot phase to build the carbon sequestration evidence base at the key sites. This will enable the restoration and generation of carbon credits in later stages of the project.

This is an example of how an integrated sustainability strategy can deliver against multiple objectives: improve the natural coastal environment, better support the wellbeing of coastal communities and generate new revenue streams from improved carbon storage in a healthy ecosystem.

Locations for the pilot phase of this project will be confirmed in early 2023 and we will report against this initiative over the course of 2023 and in next year's report.



The Nature Conservancy is currently working with Z to finalise the locations for the pilot phase of this project, with site work planned to commence in early 2023. Photo credit: Dr Erik van Eyndhoven.

Partnership 2

Trees that Count – accelerating indigenous biodiversity

Z has committed to a $500,000 three-year partnership with Trees That Count to contribute to a science and research project to support the acceleration of indigenous biodiversity.

This will be delivered through trialling different planting and establishment methods for native trees across corridors of working land in diverse locations.

The main focus of this project is experimenting with the use of seed islands and nursery crops as practical methods for landowners, iwi, and communities to establish corridors of indigenous biodiversity across deforested and degraded land that will enhance existing pastoral, horticultural and forestry land uses, and our urban environments.

Trees That Count and Z revisiting the 'Welcome Forest' which was planted with the community two years earlier.

PUHINUI REGENERATION PROJECT

Partnership 3

Sustainable Business Network – Indigenous regeneration delivering training and employment

The Puhinui Stream flows from Tōtara Park, through Ōtara and Papatoetoe, out to Manukau Harbour. Z is partnering with the Sustainable Business Network (SBN) which is leading the Puhinui Regeneration Project to help regenerate the land, waters and people of the Puhinui catchment.

This work will help create new jobs for local rangatahi (young people) that contribute to a restoration vision led by mana whenua and the local community. Rangatahi are employed, upskilled, and provided with valuable work experience through this initiative.

Z's contribution to the project will be utilised to deliver SBN's aspirations for 2022-23. The focus of the project through this period is to maximise nature-based employment opportunities for local rangatahi in South Auckland, provide valuable training and experience for them to become more employable and embed local Mātauranga Māori knowledge into their everyday work.

SBN aims to raise $16 million over the next five years to employ and upskill 100 rangatahi in a range of nature-positive disciplines.

Puhinui Stream working bee.
Photo credit: Sustainable Business Network.

Working with the Climate Leaders Coalition

Z was a founding member of the New Zealand Climate Leaders Coalition and our CEO, Mike Bennetts, was the founding Convenor until he stood down in June 2022. He remains on the CEO Steering Group.

The Coalition released a new single Statement of Ambition in mid 2022. Z satisfies the requirements of the previous 2019 Statement and is currently assessing whether we can fully meet the requirements of the revised statement within the three-year timeframe (by 2025). Z intends to remain a member of the Coalition until a decision on whether we can transition to the new Statement is made in September 2023.

The revised Statement of Ambition starts:

> As signatories to the Climate Leaders Coalition, we are committed to working together to accelerate our transition towards a zero-carbon and climate resilient future where Aotearoa, and all New Zealanders, can thrive.
>
> We honour the principles of Te Tiriti o Waitangi and play our part in supporting Aotearoa's domestic and international climate commitments by:
>
> - *Reducing our own emissions and leading the way on climate adaptation and a just transition;*
> - *Creating momentum that influences all businesses to act on climate change, and providing peer-to-peer support that enables this; and*
> - *Promoting cross-party support for effective policy that provides the certainty that businesses and communities need to invest and transform.*

Community groups celebrating Good in the Hood at Z Silverdale.

Good in the Hood – back to basics.

After two years of Covid-19 disruptions and different ways of trying to deliver Z's Good in the Hood community investment programme, in 2022 we went back to its roots.

Since 2013, Good in the Hood has contributed approximately $9.5 million to a wide range of community organisations and initiatives that matter most within those communities.

In 2022 our customers voted with the famous orange token and the results were announced in November. A total of 502 groups received donations, with the following 10 organisations receiving the most votes and donations:

Good In The Hood recipients with the most votes in 2022

- The Child Cancer Foundation
- Wellington Free Ambulance
- Bowel Cancer NZ
- Perinatal Anxiety and Depression Aotearoa
- Big Buddy Mentoring Trust
- Look Good Feel Better
- Hospices (across Aotearoa New Zealand)
- Auckland Volunteer Fire Brigade
- Sweet Louise
- Meat the Need

As a company with an active presence in the community, Z has a role to play in helping out and looking after the wellbeing of the people who live there. By supporting community organisations through Good in the Hood, we enable them to do more mahi (work) more effectively. The community organisations receive money to invest in improving their services, reach and capabilities, and have a platform to promote their work to attract more supporters.

One of the pieces of feedback we received from community organisations was that the financial support through Good in the Hood was important, but so too was the additional profile the programme provides. This year's campaign saw almost half the donations go to support Kiwi and their whānau suffering from serious injury, illness, or a tough life event. A further 22 percent went to groups that promote the health, safety and wellbeing of communities. Groups that provide support specifically for the health, development and empowerment of youth made up 28 percent of donations.

As community organisations emerge from the disruption of Covid-19 into a high inflation environment where households are under pressure, their role is increasingly important, and it is helpful for people to understand the services they provide.

During the Good in the Hood campaign period, community groups on average saw a 17 percent growth in social media supporters and a 39 percent growth in website views, highlighting the impact of participating in the programme.

Z has conducted an evaluation of how Good in the Hood delivers impact within local communities. We examined where the money went, who received funding and what causes were supported. We also invited feedback from recipients. We will continue to evolve the design of future campaigns based on what we learned to ensure that more funding gets to the areas in most need, the groups supported are truly local and representative of their communities, do more to empower youth, and remove barriers for harder-to-reach groups so that we can better support them to access funding.

$50k

Continued funding support

Graeme Dingle Foundation

We have extended our $50,000 in annual funding support for the Graeme Dingle Foundation's work in 'powering up future generations' for an additional year.

How we are tracking on our outcomes and targets

Here we report our progress in the nine months to 31 December 2022 to achieve the strategic goals and outcomes of the Community and Environmental Sustainability Strategy 2030 and the action focus areas that have been defined out to 2025.

Empower Communities

Our Goals	Our Outcomes	2025 Action Focus Areas	Progress	Status
We will actively support local communities in the locations where we operate, enabling more New Zealanders to live the lives they value and empower the young people of Aotearoa New Zealand to reach their full potential.	**Our workplace is safe and inclusive for everyone.**	Deliver industry-leading safety and wellbeing.	Supporting staff wellbeing through change over the nine months to 31 December 2022 has been a priority, including through the Ampol ownership transaction and business reorganisation. We have also been proactive in addressing and working to prevent increasing rates of abuse of our frontline workers. An enhanced Employee Assistance Programme was launched as part of a suite of options to support our people and their wellbeing, which also extends to their family members.	● ●
		Be one of the most inclusive workplaces in Aotearoa New Zealand.	Z remains committed to an ambitious diversity and inclusion policy and has made good progress towards our targets this year including: increasing KiwiSaver contributions for those on parental leave, closing the gender pay gap, supporting the TupuToa and Summer of Tech internship programmes, and making Te Ao Māori learning accessible to all Z staff through the Education Perfect learning programme.	
	Our staff are empowered to connect with and support their local communities.	Promote and support staff volunteering.	We give staff two days per year to volunteer for not-for-profit causes. During this period, 62 staff contributed 71.5 days to volunteering or approximately 529 hours of giving back in their communities.	●
		Facilitate connections between staff and local charities.	Our monthly Chat with a Charity has connected staff with five local charities since August.	●
	Young people are empowered to achieve their full potential.	Support transformative services and opportunities for youth.	We continued our longstanding sponsorship of the Graeme Dingle Foundation's Career Navigator programme, empowering young people to reach their full potential.	●
	Community groups who care for New Zealanders are enabled to do more mahi, more effectively.	Deliver Good in the Hood campaign giving $1 million to local communities.	In the nine-month reporting period, Z donated $1 million to a total of 502 groups through our Good in the Hood campaign. Donations were spread across four primary categories: 47% going to organisations helping people going through tough life events, 28% to support youth empowerment, 22% to organisations contributing to a healthier and more resilient Aotearoa New Zealand and 3% to projects increasing the resilience of nature. Customers decided what mattered most to them by voting with their orange token. Z has donated approximately $9.5 million to just over 4,000 community groups since 2013.	●
		Measure our impact to improve outcomes for communities.	Using the social impact model and measurement framework developed with the Ākina Foundation in 2021, we measured the impact of Good in the Hood and have recommended changes to improve outcomes that will be implemented in 2023.	●

4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Key ● We're on track and doing well ◐ We've made some good progress but we need to do more ○ We are not on track and need to do more

Restore Nature and Wellbeing

Our Goals	Our Outcomes	2025 Action Focus Areas	Progress	Status
We leverage our scale and unique capabilities to foster restorative and regenerative actions that have a positive impact on communities, nature, and intergenerational wellbeing.	**We bring a circular economy mindset to the design of our business operations and offerings.**	Reduce waste and water use across our operations.	We remain committed to reduce our waste to landfill year-on-year from our operations. Total waste to landfill was 1,179 tonnes with a 55% diversion from landfill rate in the nine-month period. We recorded nearly 167,000 kilolitres of water use this year, primarily across the Retail network. Z continues to assess site suitability for more recycled water tanks to be installed at retail sites in water-stressed regions. Over 40 of our Z20 car wash sites across the country have a dedicated recycling system installed which saves around 65% of water per wash – meaning each litre of water can go even further.	◐ ◐
		Build capability in circular economy and showcase good practice.	We are experimenting with new ways of doing things using a circular economy approach. This includes partnering with Will&Able and Fonterra to trial a plastics take-back scheme at selected retail sites and integrating a circular economy design approach into design thinking.	
	We increase the resilience of nature and communities through our procurement choices and partnerships.	Administer our $1 million Biodiversity Fund.	We signed foundation funding agreements with three delivery partners. Project sites have been reviewed for research and innovation with Trees That Count and The Nature Conservancy. The Puhinui Regeneration Project has kicked off with 10 people employed and over 14,000 native plants planted with help from a staff volunteer planting day. Z also donated an additional $150,000 to plant 20,000 native trees in celebration of Matariki.	●
		Leverage supplier relationships for social and environmental outcomes.	Z's Organisational Risk Management system (ZORM) was updated this year to include a more thorough assessment of all of our suppliers' environmental sustainability and community impacts in addition to stating compliance with Z's Supplier Code of Conduct. 100% of new suppliers are screened via ZORM. The tool also enables our suppliers to easily connect with Z's procurement and sustainability teams and to conduct annual reviews of sustainability practices between companies. The most material environmental impact from our suppliers is the carbon emissions associated with the fuel delivered on behalf of Z, as captured in our operational emissions footprint. We seek to mitigate the impact of this, including by encouraging our suppliers to measure and monitor their emissions, set internal emissions reduction targets, and to identify, assess, and manage climate-related risks and opportunities for their business. Over 2022 we included some screening questions to assess our potential suppliers' commitment to carbon reductions and the extent they contribute to social and environmental resilience.	◐
	Government policy and the collective actions of business are strengthened with our advocacy and leadership.	Support the Climate Leaders Coalition.	Z continues to support the Climate Leaders Coalition. The Coalition released a new single Statement of Ambition in mid-2022. Z satisfies the requirements of the previous 2019 Statement and is currently assessing whether we can fully meet the requirements of the revised statement within the three-year timeframe (by 2025). Z intends to remain a member of the Coalition until a decision on whether we can transition to the new Statement is made in September 2023.	◐
		Be a valued member of the Sustainable Business Council and Sustainable Business Network.	Z continues its support as an active member of the Sustainable Business Council (SBC) and Sustainable Business Network (SBN). Z participates in industry forums and events and has collaborated in joint initiatives, such as the Puhinui Regeneration project through SBN.	●
		Proactively engage with Government on policy thinking and implementation of relevant proposals.	Z proactively engaged on the topic of biofuels through discussions with Government officials on the Sustainable Biofuels Obligation proposals for regulations and including a written submission, providing practical insights on meeting the obligation from a commercial perspective. (The Sustainable Biofuels Obligation was scrapped in February 2023.) We also made a submission on the External Reporting Board's (XRB's) proposed Strategy and Metric and Targets sections of the Aotearoa New Zealand Climate Standard 1: Climate-related Disclosures (NZ CS 1) consultation document. Z also engaged with the Climate Change Commission on its next round of advice to Ministers on the operation of the Emissions Trading Scheme (ETS) and the Government's next emissions reduction plan, sharing our commercial experience and practical insights to help build a more complete assessment of the opportunities and challenges ahead for Aotearoa New Zealand's low carbon transition.	●

3 GOOD HEALTH AND WELL-BEING
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
15 LIFE ON LAND

Lead Transition

Our Goals	Our Outcomes	2025 Action Focus Areas	Progress	Status
We will take bold action in response to climate change to reduce our own impact, work with our customers, suppliers, and partners to reduce theirs and provide solutions that will enable New Zealanders to join us on the path to a low carbon future.	**Our operational emissions are reduced in line with the Paris Agreement to limit warming by 1.5 degrees Celsius.** **Science aligned target: 42% reduction by 2030.**	Implement ongoing emission reduction initiatives.	Z's science-aligned target to reduce operational emissions by 42% by 2030 from an FY20 baseline is on track – see the Greenhouse gas emissions table on the next page. Emission reduction initiatives implemented in the nine months to 31 December 2022 include increasing the proportion of hybrid and electric vehicles within Z's corporate fleet. Transport emissions from heavy vehicles remain Z's hardest to abate emissions source. Annual performance will be measured for the period 1 April 2022 to 31 March 2023 and subsequently reported in Z's next annual report.	◐
		Finance voluntary climate mitigation for unavoidable emissions.	We voluntarily finance climate change mitigation actions for the operational emissions we have been unable to avoid. We purchase units from emissions reduction or removal projects that align with the International Carbon Reduction & Offset Alliance (ICROA) Code of Best Practice, have high environmental integrity and contribute to our identified Sustainable Development Goals. A total of 16,000 tonnes CO2-e were financed for operational emissions for the nine months to 31 December 2022.	●
		Support our employees to reduce their emissions.	Z supports active and sustainable transport options to help our people reduce their own emissions including through provision of dedicated cycling facilities at main office locations and encouraging Mevo car-share over taxis in Auckland and Wellington. Z now has 20 full battery electric vehicles and 24 hybrid vehicles as part of its corporate fleet, which combined represents 66% of the total fleet. Z staff in Wellington also have access to a car share electric vehicle which can be booked for work or personal use.	◐
	More of our customers are using low carbon products and services.	Meet customers where they are at on their low carbon journey by investing in: - Electric Vehicle Charging Infrastructure - Mobility services - Retail electricity, distributed energy and storage - Sustainable biofuels.	Z's EV charging network is expanding with a dedicated Z EV Charging App to enable customers to easily find and pay to charge their vehicle. Dedicated teams have been set up to expand on Z's mobility and electricity offers. Z is preparing to offer lower carbon fuels and meet the Government's biofuels mandate by 2024. Our first importation of Sustainable Aviation Fuel (SAF) for Air New Zealand was imported this year. We continue to enable our customers to see the emissions associated with the fuel they purchase from Z through Carbon Count on the Z App. This provides customers the choice to take action and offset these emissions through Permanent Forests NZ via the App.	◐
	We publicly disclose decision-relevant information about our climate-related risks and opportunities.	Measure and publish our carbon footprint.	KPMG has provided an unmodified reasonable assurance opinion that Z's Greenhouse Gas Inventory has, in all material respects, been prepared in accordance with the Greenhouse Gas Protocol's Corporate Standard requirements for the nine month period 1 April to 31 December 2022.	●
		Assess our climate-related risks and opportunities, incorporating them into strategy, risk management and financial planning.	Z is in its fourth year of assessing climate-related risks and opportunities against the TCFD Framework. See page 123 for further details.	●
		Disclose information in accordance with New Zealand's climate standards.	In December 2022 the XRB released New Zealand's first set of Climate Standards. Z is preparing to report against these standards by 2024.	◐
		Update and improve our analysis and disclosures.	We have made good progress against our TCFD roadmap (see page 49). Our next steps are to update our analysis on transition risks and opportunities and quantify the financial impact to Z.	●

Key ● We're on track and doing well ◐ We've made some good progress but we need to do more ○ We are not on track and need to do more

MATERIALITY

Climate change

Greenhouse gas emissions – tonnes CO2-e[1]

Scope	Base Year FY20	FY21	FY22	9 months to 31 Dec 2022
Scope 1 – Z offices and Retail sites[1]	4,127t	3,398t	3,798t	1,723t
Scope 2 – Z offices and Retail sites	3,371t	3,191t	3,156t	2,489t
Scope 3 – Z offices and Retail sites[2]	3,369t	2,434t	2,182t	1,530t
Scope 3 – New Zealand supply chain[3]	29,785t	29,017t	28,425t	9,829t
Total operational emissions	**39,742t**	**37,149t**	**37,042t**	**15,570t**
% change from FY20[4]	**N/A**	**-6.5%**	**-6.8%**	**N/A**
Scope 2 – Flick Electric	N/A	N/A	13t	20t
Scope 2 – New Zealand other	N/A	N/A	N/A	374t
Scope 3 – Share of refinery	520,708t	475,255t	367,525t	28,754t
Scope 3 – International supply chain[5]	1,031,309t	852,236t	875,758t	1,337,695t
Scope 3 – Z product emissions from our customers	9,990,103t	8,039,840t	8,760,150t	7,605,030t
Total emissions	**11,582,773t**	**9,405,371t**	**10,041,008t**	**8.987,442t**

[1] For the nine months ended 31 December 2022, the method for estimating HVAC refrigerant loss was changed to use actual top-up data, providing a more accurate emissions estimate. In previous periods, HVAC refrigerant loss was estimated using loss rate assumptions from the Ministry for the Environment guidance. As historic data is not available, FY20 – FY22 emissions have not been restated and use the previous methodology.

[2] From this nine-month reporting period onwards, line losses and upstream electricity are included in a separate line item called 'NZ other' for transparency of reporting against our operational emissions target. Line losses and upstream electricity were previously included in the categories 'Scope 3 – Z offices and Retail Sites' and 'Scope 3 – New Zealand Supply Chain' from FY20 to FY22.

[3] Z ceased operations in the Awanuia and coastal shipping over FY21 and FY22 which means there are no further emissions of AGO or HFO bunker fuel from ships.

[4] Following the Ampol transaction, Z has amended its financial year end to align with the calendar year, ending 31 December 2022. Z's operational emissions target is included as part Z's annual performance metrics which have remained aligned to the financial year ending 31 March 2023. Therefore, the percentage change in operational emissions for FY23 will be reported next year. Z is currently on track to meet its target of a 42% reduction in operational emissions from FY20 to FY30.

[5] In 2022, Z moved to an import-only fuel model and as such recalculated the associated emissions with refining and transportation of fuel from overseas to New Zealand.

All numbers are subject to rounding.

The inventory accounts for all Scope 1 and Scope 2 emissions and selected Scope 3 emissions of the six Kyoto Greenhouse Gases (CO2, SF6, CH4, N2O, HFCs, PFCs) and are expressed as tonnes of carbon dioxide equivalent (tonnes CO2-e) in line with the GHG Protocol Corporate Standard.

Where available, Ministry for the Environment emission factors (2022 release) are used to calculate the tonnes of carbon dioxide equivalent generated.

A full greenhouse gas inventory is available to view at https://www.z.co.nz/about-z/corporate-centre

KPMG has provided an unmodified reasonable assurance opinion as to whether Z's Greenhouse Gas statement has, in all material respects, has been prepared in accordance with the Greenhouse Gas Protocol's Corporate Standard requirements for the period 1 April 2021 – 31 December 2022.

Site waste data

Our Retail operations generate the largest volume of waste in our business, which includes waste disposed of by our customers at our sites. We also aim to reduce waste across our corporate sites, including offices and terminals. The data below shows how our waste tracked for the 9 months to 31 December 2022.

Waste by composition, in metric tonnes (t)

Waste source	Total waste generated	Waste diverted from disposal	Waste directed to disposal
Retail	2,593t	1,435t	1,158t
Corporate	31t	10t	21t
Total waste	**2,624t**	**1,445t**	**1,179t**

Waste diverted from disposal by recovery operation, in metric tonnes (t)

Non-hazardous waste	Retail sites	Corporate sites	Total
Recycled cardboard & paper	647t	4t	651t
Recycled composting & organics	270t	3t	273t
Recycled plastic, cans & glass	518t	3t	521t
Total waste diverted, in metric tonnes (t)			**1,445t**

Hazardous waste[1] in metric tonnes (t)

Hazardous waste	Retail sites	Corporate sites	Total
Landfill	5,640t	173t	5,813t
Total hazardous waste			**5,813t**

[1] Hazardous waste comprises mainly soil and spill from site remediation works such as fuel tank replacements, contaminated liquids, empty additive drums and oily rags. The material is safely disposed of in licensed waste facilities.

Figures in the above tables have been rounded to the nearest whole number.

All waste is disposed of via landfill or recycled offsite. There are no waste incineration facilities used.

Waste data is based on a combination of actual and estimated weights reported by our waste management providers. Where no data was provided for a site, an uplift has been applied.

The impacts of climate change are increasingly being felt at the same time as investment in low carbon technology accelerates.

Tā Z arotake i ngā mōreatanga me ngā āheinga ā-taiao

Assessing Z's climate risks and opportunities

MATERIALITY

Climate change

The need to integrate the management of climate-related risks and opportunities into everyday business decision-making is now critical.

This year has again seen unprecedented impacts from increasing extreme weather events across the globe, coupled with increasing investment in and uptake of low carbon businesses and technologies.

Z's approach to addressing future trends and climate risks has matured over the past four years, in line with the recommendations provided by the Task Force for Climate-Related Financial Disclosures (TCFD).
Our commitment to the transparent reporting of climate-related information is one shared by our parent company, Ampol. The coming together of Ampol and Z has provided the opportunity to leverage capabilities and insights from across the Tasman to deliver on our low carbon strategies.

In December 2022, the New Zealand External Reporting Board (XRB) issued New Zealand's first set of Climate Standards. Z is currently captured by this legislation as a climate reporting entity while it has debt listed on the NZX and will be required to provide a climate statement covering our climate-related disclosures for the financial period starting 1 January 2023 alongside wider year-end reporting to be publicly released in early 2024.

This is the fourth time we have disclosed our climate-related risks and opportunities. For this nine-month report we have outlined key areas of work that inform our climate-related disclosures. Z will transition its climate-related reporting structure towards meeting the new Aotearoa New Zealand Climate Standards in 2023.

Z's four-year TCFD roadmap

	FY20	FY21	FY22	9 months to 31 December 2022
Governance	• Gap analysis completed • Internal alignment achieved • Board approval			
Strategy	• BEC Scenarios used to inform strategy	• Scenarios expanded to include a 2 degrees Celsius and one other comparison scenario	• Climate scenario analyses integrated into financial modelling and informs strategy	• Climate-related risks and opportunities quantified, and financial impacts identified
Risk Management	• Approach to climate risk management documented	• Qualitative risk assessments identified physical and transitional climate-related risks • Climate risks integrated into risk management processes	• Climate-related risks and management process reviewed for effectiveness	• Quality assurance of climate risk management and financial disclosures
Metrics and Targets	• Climate metrics and targets under review and agreed	• Climate metrics and targets under review and agreed		

Key • Complete • In progress • Deferred

Over the nine months to 31 December 2022, Z progressed actions identified in our four-year TCFD roadmap, and with more detail available on the pending XRB standards we also completed a gap analysis between the two frameworks. We have revisited and retested our approach to strategy and risk management as the business strategy has developed over this time.

Our approach to governance has been reviewed with the new Z Board and Z and Ampol's Leadership Teams to ensure an understanding of roles and responsibilities for the oversight and management of climate-related risks and opportunities.

Our qualitative assessment of climate-related risks and opportunities as presented on page 24 of Z's Annual Report for FY22 remain relevant (refer page 123 of this report). Z has sharpened its focus towards the delivery of the business response in managing the identified risks and leveraging opportunities.

The transition to a low carbon future is a foundation of our overall strategy. We know the Z of 2050 will need to look very different to today.

Governance

Our governance structure changed materially in May 2022 as part of the Ampol transaction. Over 2022 there were increasing and fast-changing expectations of climate change risk management for directors.

The laws in Aotearoa New Zealand and Australia require directors to act in good faith, for a proper purpose, and in the best interests of the company. It is now well established that this includes management and disclosure of climate change risks and opportunities and a consideration of a broad set of stakeholders including employees, customers, suppliers, creditors, tangata whenua (and Traditional Owners in Australia), the environment, and the broader community in addition to the interests of shareholders.

Z will work to understand and meet these expectations as they continue to evolve, in tandem with a work plan for director development in this area.

Strategy

The transition to a low carbon future is a foundation of our overall strategy. We know the Z of 2050 will need to look very different to today. This year has seen Z grow its team of people dedicated to the development and delivery of Z's Low Carbon Future. It is aligned with Ampol's commitment to transition and provides opportunity for collaboration to deliver low carbon offers to our customers at the pace required to meet Aotearoa New Zealand's climate goals.

Investment opportunities

The nine months to 31 December 2022 have seen Z affirm its commitment to its Low Carbon Future strategy through delivery of and investment in low carbon products and services focused on four core areas:

Charging	**On-the-go EV charging** with nine sites operational and a roll-out plan to have EV charging available at 20 percent of Z retail service station sites by the end of 2023.
Mobility as a Service	**Car share** through investments with car share operator, Mevo, operating in Auckland, Hamilton and Wellington.
Electricity	**Home electricity** through Flick as a majority owner and investing for growth in electrification.
Energy	**Sustainable Aviation Fuel** – Z provided New Zealand's first delivery of SAF for Air New Zealand in August 2022.

Refer also pages 28 to 31, Climate change and the transition challenge.

The business planning and capital allocation process has incorporated specific metrics and targets for the delivery and earnings expected from the Low Carbon Future portfolio out to 2030.

Quantifying Risk

The long-term fuel demand model has provided Z with a view of the financial impact expected from changes in customer demand and government policy settings. Work is planned in 2023 to assess the financial impact expected from the other potential transitional risks such as increasing litigation and compliance costs.

Understanding the financial impact to Z from identified physical risks requires a thorough knowledge of the predicted changes to weather and climate in the short, medium and long term.

Z is working with consultants to understand the severity of exposure to physical risks, both in terms of physical damage to assets and disruption to our supply envelope. The impact from the most material physical climate hazards is being assessed across three timeframes (2025, 2030 and 2040) including a best case (below 1.5 degrees – RCP2.6), worst case (above 4 degrees – RCP8.5) and mid-point (above 2 degrees – RCP4.5) climate scenario, utilising the latest sea-level rise projections from NZ SeaRise coupled with flood risk data.

Quantification (e.g. potential damage costs) of the physical impacts from these hazards is being conducted across Z's asset portfolio. Preliminary results have provided insights to be integrated into asset management plans and identified where more detailed information is required to assess the likely impacts across our most strategic assets in the terminal network.

Risk management

Z has an established process for assessing and managing climate-related risks through Z's Organisational Risk Management system (ZORM). This has been reviewed for effectiveness and updated to incorporate all identified transitional and physical risks, critical controls, risk and control owners and periodic reviews.

Metrics and targets

Z is committed to a science-aligned target to reduce our operational emissions. Z aims to sustain a financially resilient company that maintains relevance, scale and profitability through delivering its low carbon future strategy. As such, Z is defining metrics and targets to demonstrate generating value and increased share of EBITDA from the low carbon portfolio by 2030.

Z identified quality assurance over climate risk management and financial disclosures in the 'four year TCFD Roadmap' as a planned action for 2023 in expectation of the pending New Zealand assurance standards for climate-related disclosures. Z notes the XRB Climate Standards currently only require assurance over a reporting entity's greenhouse gas emissions.

KPMG has provided reasonable assurance opinions in relation to Z's Greenhouse Gas (GHG) totals, as presented in our GHG statements from FY21.

Refer to pages 120-123 for further detail on our TCFD disclosures.

Haumarutanga me te hauora

Safety and wellbeing

MATERIALITY

Safety and wellbeing

We are continually redesigning our workplaces to ensure staff safety.

Enhancing the lives of our people and communities.

The nine months to the end of December 2022 was a period of accelerating transition for Z.

The Ampol transaction to acquire the shares in Z occurred, the biggest transformation of the country's fuel supply chain in 60 years went live, we emerged from Covid-19 lockdowns, and Z took material steps to concentrate its resources on its core business and opportunities in decarbonisation.

With rapid change can come risk, uncertainty and, for some people, worry and concern.

Over a period of significant change Z has not wavered in its commitment to the safety and wellbeing of our people, the communities we serve and the natural environment we share. We have maintained a highly engaged workforce, a strong culture around operational safety and our integrated digital risk management systems and processes have helped us maintain a strong operational safety record during a period of transformation.

Z's Organisational Risk Management System (ZORM) is the foundation of our approach to safety management. ZORM continues to be externally certified to global standard ISO 45001.

Z remains an essential service and continues to plan and prepare for potential issues that could disrupt our business. We remain wary of Covid-19 and maintain the systems and processes we may need to use again in order to protect and serve our customers and communities should a resurgent pandemic require it.

Retail workforce suffering abuse

Due to a very tight labour market, it has become very challenging to secure the staff we need to operate our retail network at capacity. Additionally, some of our customers are making life difficult for the people serving them.

We have seen rising rates of abuse of our frontline retail team over the last two years. Regardless of the reasons, which range from mask mandates, fuel prices, cost of living pressures and straight-out racism, this is never OK. Retail site staff being abused by others at work for issues outside of their control is unfair and materially impacts people. This is unfortunately an issue across much of Aotearoa New Zealand's retail economy and is our biggest wellbeing challenge: the way our customers and fellow Kiwi treat our retail team.

Over the nine months to the end of December 2022 we've seen an increase in incidents of staff abuse. One of the ways we are continually redesigning our workplaces to ensure staff safety is with the introduction at certain retail service station sites of counter video cameras that film the store and our customers.

When realising how they treat other people is being recorded, we are observing a profound improvement in customer behaviour. We continue to support our retailers in training their staff to de-escalate aggressive situations.

Site security – prior investments paying off

Over the nine months to the end of December the phenomena of 'ram raids' – typically young people using cars to drive through the doors of retail outlets in order to steal merchandise – captured headlines and public and political attention.

Over the period, multiple retail outlets were targeted, largely across the Auckland and Waikato regions.

While this is a recent issue impacting a wide range of retail outlets across Aotearoa New Zealand, Z dealt with its own spate of ram raids or 'smash-and-grab' robberies across its network more than five years ago.

Over the last five years, Z has worked to holistically address security risks to its retail service station sites. Interventions range from enhancing the external site environment (e.g. improving lighting, reducing hedges, CCTVs on potential access points), to making access difficult (e.g. bollards, strengthened and automatic doors), and foiling attempts (e.g. fog cannons). These all contribute to make Z a 'harder target' for ram raids and smash-and-grab attempts.

We have experienced three robbery incidents in the last nine months, all involving lone offenders coming into the shop as customers.

Z is happy to discuss its own progress in successfully deterring ram raids with any other retailers interested in learning what worked well.

	9 months to 31 Dec 2022	FY22
Significant spills:		
Total number of significant spills (loss of containment)[1]	1	0
Total volume of recorded significant spills	1,000 litres	n/a
Process safety events:		
Total Tier 1 and Tier 2 process safety incidents	0	0
Number of transportation-related process safety events	0	n/a
Number of storage-related process safety events	0	n/a
Number and percentage of employees and workers covered by an occupational health and safety system:		
Number of employees and workers covered by Z's occupational health and safety management system (ZORM)		
Number covered by internally audited system	1,686	1,644
Number covered by audited or externally certified system	1,686	1,644
Percentage of employees and workers covered by Z's occupational health and safety management system (ZORM)		
Percent covered by internally audited system	100%	100%
Percent covered by audited or externally certified system	100%	100%
Work-related ill health:		
Number of fatalities due to work-related ill health		
Z employees:	0	0
Retailers and Mini-Tankers franchisees & contractors:	0	0
Number of cases of recordable work-related ill health		
Z employees:	0	0
Retailers and Mini-Tankers franchisees & contractors:	0	0
Main types of work-related ill health		
Z employees:	N/A	N/A
Retailers and Mini-Tankers franchisees & contractors:	N/A	N/A
Work-related hazards that have caused or contributed to cases of ill health	N/A	N/A

	9 months to 31 Dec 2022	FY22
Work-related injuries:		
Number of work-related fatalities		
Z employees:	0	0
Retailers and Mini-Tankers franchisees & contractors:	0	0
Rate of work-related fatalities		
Z employees:	0.0	0.0
Retailers and Mini-Tankers franchisees & contractors:	0.0	0.0
Number of high-consequence work-related injuries		
Z employees:	0	0
Retailers and Mini-Tankers franchisees & contractors:	0	0
Rate of high-consequence work-related injuries		
Z employees:	0.0	0.0
Retailers and Mini-Tankers franchisees & contractors:	0.0	0.0
Total recordable case frequency (TRCF)[2]	3.2 (0.64)	5.1 (1.02)
Z employees:	0.0 (0.0)	5.1 (1.02)
Retailers and Mini-Tankers franchisees & contractors:	3.8 (0.76)	1.8 (0.35)
Lost time injury frequency (LTIF)[3]	1.8 (0.35)	3.5 (0.69)
Z employees:	0.0 (0.0)	1.3 (0.25)
Retailers and Mini-Tankers franchisees & contractors:	1.9 (0.38)	3.7 (0.74)
Main types of work-related injury		
Z employees:	N/A	Manual handling
Retailers and Mini-Tankers franchisees & contractors:	Manual handling	Manual handling
Number of hours worked		
Z employees:	595,869	726,977
Retailers and Mini-Tankers franchisees & contractors:	2,098,424	2,954,031
Z own measures:		
Number of motor vehicle incidents	3	7
Number of robberies	3	8
Wellbeing Net Promoter Score	+73	+74

[1] Further information on this 1,000 litre spill of fire suppression foam can be found on page 69.

[2] Z's TRCF calculation has been aligned with Ampol and industry Total Recordable Incident Frequency Rate (TRIFR) requirements, being: total number of events that meet total recordable injury case (TRIC) criteria confirmed per 1,000,000 exposure hours reported. The numbers in brackets show the previous calculation which was based on 200,000 hours worked.

[3] Z's LTIF calculation has been aligned with Ampol and industry LTIF requirements, being: total number of Lost Time Injuries confirmed per 1,000,000 exposure hours reported. The numbers in brackets show the previous calculation which was based on 200,000 hours worked.

Ngā rerekētanga me te whakaurutanga

Diversity and inclusion

Z stands for all people being free and able to bring their full selves to work every day. A diverse and authentic workforce where people feel included allows people to do their best work and drives innovation and the culture we strive for.

The diversity of our people is a major commercial advantage for our business.

Z has a clear and aspirational diversity and inclusion policy that is committed to these principles:

- A culture that does not discriminate, respects human rights, and is inclusive of all of those in Aotearoa New Zealand
- A company that reflects the diversity of Aotearoa New Zealand at all levels
- Sustaining a workplace where all of us can achieve, where we're fully expressed as individuals, and where we address barriers to inclusion for ourselves and our colleagues
- Celebrating and leveraging each other's differences, and maximising the advantages that these differences offer us as a company
- Accessing the wide range of ideas, experiences, approaches and perspectives that our people – from diverse backgrounds and with differing experiences – bring to their roles
- Developing inclusiveness as a core capability for all, and especially for our leaders
- An employment brand, recruitment process, and talent pipeline that results in a more diverse range of people joining and being successful in Z than ever before
- Providing thought leadership and sharing our experience with others – all while inspiring, and being inspired by, our business partners, customers and suppliers to create their own diverse and inclusive workplaces.

Progress against targets

We have set the following Diversity and Inclusion targets out to 2030 that we will continue to measure and report against:

- We have made a material lift in our representation of Māori and Pasifika, and of women
- 20 percent Māori and Pasifika representation
- A 45/45/10 gender ratio at every career level in Z
- The gender pay gap is closed and at zero by the end of 2024.

It's been a challenging period to advance some of the diversity and inclusion targets we have set for ourselves, particularly as a consequence of the Covid-19 pandemic and the tightness of the labour market.

Regardless, we continue to make progress against our Diversity and Inclusion targets and have developed and implemented a comprehensive diversity and inclusion workplan to deliver against them.

Our Diversity and Inclusion workplan is broken into five workstreams with defined outcomes:

Integrity

We have brought our Values, Stands and the Z Why to life in our Wellington and Auckland corporate offices, with physical representation.

Our Rainbow Ally Network has continued to grow, with Z receiving re-accreditation of our Rainbow Tick certification, and training opportunities running across Z.

Z has continued to support the Aotearoa Rainbow Excellence Awards, sponsoring the SME Category for 2022-2024, Z was also a sponsor of the 2022 Wellington Pride Festival and is a member of Pride Pledge.

Alongside our Rainbow Ally network, in 2022 we launched two new ally networks: Z's Neurodiversity Ally Network and Māori Ally Network.

Z has also been re-accredited with the advanced Gender Tick accreditation.

Representation in recruitment

Building a more diverse, representative business starts with how we recruit.

2022 saw Z sharpen its focus on representation in recruitment, including using new job platforms – 'Kumara Vine' and 'Ahu Jobs' – developed specifically for Māori and Pasifika job seekers.

We have strengthened our long-standing partnership with TupuToa, with six TupuToa interns having joined Z over the summer of 2022/2023.

We have tailored our recruitment campaigns for newly created Terminal Operator roles and roles within our Low Carbon Future teams, and have seen this translate to increased diversity of applicants and appointments.

Females made up 45 percent of external appointments over the nine months to the end of 2022 while making up 40 percent of staff turnover.

Over 2022 we also made changes within our advertisements and recruitment process to support neurodiverse candidates.

Conversations that matter

In 2022 we formed a partnership with Education Perfect. Through this partnership, 20 percent of our people have been part of the Te Ao Māori programme with over 50 percent participating in training on Te Tiriti o Waitangi. We continue to receive strong endorsement of these programmes.

In 2022, we also had our first female employees participate in the Women Rising Leadership programme, with 25 percent of Z female employees currently on this programme.

Data-enabled decisions

It is true that what gets measured gets done.

In 2022 we adapted our approach to systematically measure, model and address our gender pay gap, building this into our annual planning activities and assurance programme. We have made material progress in closing our gender pay gap. In the nine months to 31 December 2022, our gender pay gap for all staff excluding CEO and Executive has dropped from 5.01 percent to 3.04 percent, and our gender pay gap for all staff excluding CEO only has dropped from 4 percent to 2.49 percent.

With a clearly defined and well understood path to pay parity, we expect this gap to reduce further at the end of March 2023, and to close completely by the end by 2024.

Other examples of data-enabled decisions are:

- Capturing ethnicity and gender at recruitment application stage to inform where we are losing candidates in the process
- Using gender and ethnic pay gap data as part of mid-year and end-of-year remuneration reviews
- Holding 'All Hands' all of Z staff training sessions with a qualified provider focused on financial decision-making and KiwiSaver investments, with 20 percent of Z employees participating.

Thought leadership

Z signed up to the United Nations Women's Empowerment Principles 10 years ago.

We see the importance of publicly sharing our gender pay gap both in our annual report and on our website, and this year were one of 13 business signatories to the 'Mind The Gap' campaign to the Prime Minister asking the Government to legislate pay gap reporting.

Our commitment to Salary Transparency and increased KiwiSaver contributions for people on parental leave and working part time were both designed to support narrowing of the gender pay and gender retirement gaps.

In publicly leading conversations around these initiatives and the role of public reporting of pay gap data, it has been encouraging to see other New Zealand businesses also taking similar initiatives.

The following page highlights the make-up of our workforce and the progress we are making against our targets.

Additional information about our people, including parental leave, education and remuneration can be found on pages 64 to 80.

Z Energy
10.000 Followers
1 day

Michelle Reddy, Retail Operations Support, led Diwali celebrations at our Auckland office, Te Whare Rama. Michelle loves that Z Energy enables us to be who we are and embrace our culture.

If Z was a village of 100 people here's what we would look like

Ethnic diversity

6 Māori — FY22: 7

4 Pacific Islander — FY22: 2

11 European — FY22: 10

2 Middle Eastern, Latin American or African — FY22: 2

3 Other — FY22: 2

1 Prefer not to say — FY22: 4

58 NZ European — FY22: 57

15 Asian — FY22: 15

Age diversity

16 Baby Boomers — FY22: 16

23 Gen X — FY22: 23

34 Xennials — FY22: 35

21 Millennials — FY22: 23

6 Gen Z — FY22: 3

Gender diversity

56 Male — FY22: 59

43 Female — FY22: 40

1 Non-binary and prefer not to say — FY22: 1

Location

17 Auckland — FY22: 20

62 Wellington — FY22: 62

21 Rest of NZ — FY22: 18

78 Have a tertiary education — FY22: 79

52 Have dependants — FY22: 53

1 Have a disability — FY22: 1

42 Average age of Z employees — FY22: 42

3.04% Pay gap men to women (excluding Executive) — FY22: 5.1%

3.1%* Absenteeism rate — FY22:1.5%

*Our absenteeism rate of 3.1% includes both sick leave and special leave (compared to previous years where only sick leave was included). Alongside leave for sickness or caring for unwell/injured dependants, these leave types were also used to provide paid leave to employees who were unable to work due to Covid-19 isolation requirements or who took time off to support their wellbeing during extended Covid-19 lockdowns.

Ko tātou tangata | Our people

A genuinely values-based culture not only enables better performance but equips people with resilience to manage and adapt to change.

Z continues to deliver upper decile staff engagement.

Accelerating change is a constant across all sectors of the economy and labour market. Within an emissions-intensive industry, Z expects the pace of change to continue to increase as it leads the transition towards a low carbon future.

Engagement during change

Z continues to evolve in terms of how it works and how it is organised in preparation for the energy transition. The supply chain transformation, divestment of non-core operations, work around the development of a low carbon future and the Ampol transaction are all parts of this evolution.

This evolution is unlikely to slow down as our energy sector transitions, presenting significant opportunities for many members of the Z team to learn new skills and work in new areas.

We have focused this year on ensuring our people are connected to our strategy, purpose and values, and that we continue to operate as a world-class employer. As a result, we have maintained globally recognised levels of engagement during what could be seen as a year of significant change and potential uncertainty for our people.

Z continues to deliver upper quartile staff engagement, as measured by our engagement monitoring partner, Peakon. Z's staff engagement Net Promotor Score peaked at +68 in May 2022 and at the end of December was at +57. This is still a top 10 percent result globally and reflects the effort to both generate the context with people for why change is essential as well as actively supporting affected people through this process.

Personal growth and development through transition

Z's commitment to a low carbon future is exciting and invigorating for many of our people, and clearly aligned with their personal values. The changes occurring within the energy sector and in our business are creating opportunities for our people to experience personal growth and fulfilment.

In early May 2022, with the Government loosening Covid-19 restrictions, we started transitioning our corporate workforce back into the office. We managed this shift carefully to protect the culture and flexible ways of working we have developed over the last two years.

We have learned that hybrid working is not just about agreeing when to 'be in the office' but about committing to the engagement and experiences you want to have and create in an office environment. Z's office occupancy rates have increased, enabling a socially collaborative and engaging office experience. We continue to support our people to determine what hybrid working works best for them and their families, their teams and Z.

One of few positives to come from the Covid-19 pandemic has been a global shift in people reconnecting with what really matters to them – in life and in work.

This reorientation is improving people's sense of wellbeing and empowering them to make informed decisions about how to think and behave in a way that optimises their experiences.

With Z's rapidly changing context, we encouraged our workforce to take stock and reconnect with what matters most to them. Over 80 percent of our people took the opportunity to deliberately reconsider and reconnect with their personal values.

The increased awareness of what matters most to Z's people has refocused our workforce and better positioned them to make the most of new opportunities presented by our changing context.

The evolving Z

In July 2021, Z set out its strategy to consolidate its operations around its core business in order to support reinvestment in a low carbon future. As early as 2015, Z made it clear, both publicly and to staff, that divestment of non-core business operations was a possibility.

In the exiting of these business operations there will be consequences for staff. While many staff will stay with these businesses if they change ownership, this is nonetheless a period of uncertainty.

With the completion of the supply chain transformation Z has started a significant reorganisation of its workforce to align with strategy.

The reorganisation, including the exit of these business operations, will be completed in 2023, but it is likely that, due to the transition to a low carbon future, Z's workforce will continue to evolve more rapidly than it has in the past.

We have continued to manage change in a way that meets our people's needs – moving at pace to reduce uncertainty, and ensuring our leaders and support agencies are providing additional support where and when it is needed.

New opportunities for people

While the reorganisation of the Z business is inevitably unsettling for some people, it is equally exciting and invigorating for many.

In November 2022, Z created 12 additional roles dedicated to realising opportunities in decarbonisation. This reflects the broader organisational focus, supported by additional resources, on identifying and developing low carbon opportunities. The reorganisation of the business is also creating multiple opportunities for new leaders to step into bigger roles and is energising and reinvigorating teams.

Closing the gender and retirement pay gaps

As part of our continued focus on delivering a great employee experience, in August 2022, Z made a number of changes to its Employee Value Proposition (EVP) in support of closing the gender pay and retirement gap.

Alongside Z's existing parental leave primary carer offer, which includes 26 weeks at full salary and a return-to-work payment, as of August 2022 this now includes a five percent employer KiwiSaver contribution for the full duration of their parental leave period.

Z now pays the five percent KiwiSaver contribution for part-time employees who work more than 20 hours per week, based on their full-time equivalent salary instead of their pro-rated salary.

The opportunity to reorganise and refocus the Z business is driven by clarity around strategy. It will also deliver against our commitments to diversity and inclusion, serving to promote a more diverse group of leaders.

Z's focus and investment in developing the leadership capability of its people is now providing the depth and talent required for internal succession and the reorganised business will be well led and tightly aligned to strategy, with the right people and skills in the right places.

The Z Leadership Team has been streamlined in line with Z's strategy and reductions across the rest of the business. From 1 April 2023, the Z Leadership Team will consist of eight people – down from 12 at the end of FY2019 – with two internal promotions to CEO and CFO, a 50/50 male to female gender split and Z's first female CFO.

The Ampol transaction

While the source of potential uncertainty for the Z team, the Ampol transaction to acquire the shares in Z has been widely welcomed.

People from across the business and at all levels see opportunities through being part of a bigger trans-Tasman energy company, including the opportunity to deliver decarbonisation solutions at scale.

As the transaction unfolded, Z committed internally to four core principles:

- To maintain our integrity and focus on executing our strategy objectives
- That there is no doubt that Z is for Aotearoa New Zealand
- To re-establish our leadership position in Aotearoa New Zealand's energy transition
- To ensure our people continue to experience personal growth and fulfilment through the transaction and beyond.

Z's very high level of staff engagement through the period of this transaction, including in the months post transaction completion, points to a well-managed acquisition. Z has retained core talent over the period, positioning the company well to continue to execute its strategy. As part of the transaction, Ampol has also committed to furthering staff development opportunities as well as talent acquisition through an expanded graduate recruitment programme at Z.

Attracting talent in a tight labour market

Over the period, the level of unemployment in Aotearoa New Zealand hit record lows, ending 2022 at 3.4 percent following two previous quarters at 3.3 percent. The labour market is incredibly tight and Z is focused on attracting and retaining talent within this market.

The challenges facing our business are particularly acute for our retail partners who employ retail service station site staff and for our trucking partner that continues to struggle to find skilled, qualified drivers. These labour market shortages are impacting Z's business, leading some of our retail sites to operate on reduced hours. While this is a challenge, our retail partners are innovating to attract staff, including increasing pay rates and rewarding staff retention.

In November and December 2022, the impact of the truck driver shortage led to several weeks in which there were multiple short-term stockouts of fuel in retail service stations across the North Island. The average duration of these stockouts was

Z's remuneration strategy is to pay top dollar for top performance, so that we can attract, retain, and develop the staff we need.

MATERIALITY

The labour market

approximately six hours and did not include all grades of fuel so the impact on customers was minimal, but it is a material demonstration of how labour market shortages are impacting the broader economy.

Being straight up on salary

Z's remuneration strategy is to pay top dollar for top performance, so that we can attract, retain, and develop the staff we need to run the business and support its transition to a low carbon future. Our strategy is to pay in the upper quartile for comparable companies.

Over 2022, Z introduced transparency of salary bands, including in job advertisements. For Z employees, being able to see what the salary bands are for the various career levels normalises and provides context for salary conversations and provides further transparency around how different roles are remunerated.

For applicants to Z, it means we engage with candidates at the right level from the outset and it enhances our EVP by being seen as an open, fair, and competitive employer. There is also evidence that candidates are less likely to apply for a role if the salary is not disclosed in the advertising.

Salary transparency supports Z's commitment to Diversity and Inclusion. There is evidence that salary transparency enhances diversity through attracting diverse candidates to roles and organisations, which also assists with closing pay gaps. Having transparency during a recruitment process opens up salary conversations and negotiations early in the recruitment process for groups that wouldn't, in some cases, be comfortable negotiating otherwise.

We recognise that further opportunities exist within both our KiwiSaver offer and our general EVP and see these changes as the latest initiatives in an ongoing process of continual improvement.

Te Kāhui Ārahi | Our Leadership Team

Mike Bennetts
Chief Executive Officer (to March 2023)
Joined 1 April 2010

Debra Blackett
General Counsel and Chief Governance Officer
Joined 2 June 2015

Lindis Jones
Chief Financial Officer (Chief Executive Officer from March 2023)
Joined 10 May 2010

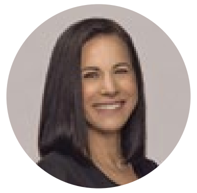
Helen Sedcole
Chief People Officer
Joined 29 January 2018

Julian Hughes
General Manager, Supply
Joined 16 February 2015

Andy Baird
General Manager, Retail and Customer (General Manager, Customer from March 2023)
Joined 1 April 2019

Nicolas Williams
General Manager, Strategy and Risk
Joined 7 June 2011

Mandy Simpson
Chief Digital Officer
Joined 19 February 2019



Nicola Law
General Manager, Commercial (Chief Financial Officer from February 2023)
Joined 3 March 2014

Ngā puakanga tāpiri

Additional disclosures

The Z Board

As Z's ultimate shareholder, the Z Board is appointed by Ampol, with written notice to Z. Ampol has the decision-making responsibility to appoint, remove, and replace any Z Board Director.

Board structure and composition

The Z Board is made up of four Directors:

- Gregory Barnes, CFO for the Ampol Group, appointed on 10 May 2022
- Penelope Winn, a non-executive director, appointed on 10 May 2022
- Andrew Brewer, Executive General Manager, Fuel Supply Chain for the Ampol Group, appointed on 1 September 2022
- Simon Allen, a non-executive director, appointed on 1 September 2022.

The Directors elect one of their members as chairperson and determine their tenure. The chairperson is not a senior executive in Z. There are no Z Board committees.

All members of the Board are affiliated with Ampol – two (Gregory Barnes and Andrew Brewer) are executive directors, and two (Simon Allen and Penelope Winn) are independent directors on the Ampol Board.

There are three male Directors and one female Director.

Further information on Ampol Board diversity can be found in Ampol's 2022 Corporate Governance Statement at: https://www.ampol.com.au/about-ampol/investor-centre/corporate-governance

Directors' skills

Z Board Directors' competencies include:

- industry experience
- international experience
- convenience experience
- retail experience
- public policy/regulatory
- capital projects
- technology
- health and safety
- climate change and ESG
- HR/remuneration
- customer, strategic and commercial acumen
- financial acumen
- leadership
- risk and compliance
- corporate governance
- people, culture and conduct.

The Board Charter outlines the expectation of the Z Board to continually educate themselves to ensure that they have appropriate expertise and can effectively perform their duties. The Directors' work plan for 2023 includes a range of education sessions on different aspects of climate change.

Role of the Board

Z's Chief Executive Officer is responsible for developing and preparing Z's strategy. The Z Board is responsible for reviewing the strategy and Z's performance against the strategy and making recommendations to the shareholder. Approval of strategy falls within Ampol's shareholder decision-making scope.

The Z Board is responsible for managing and reviewing performance against the Z business plan, strategy and budget. This includes annual reviews of Z's business plan, strategy and budget for the following year and the enterprise assurance plan in relation to all risk categories.

In this function, the Z Board is also involved in making recommendations to the Ampol Board in relation to ongoing strategy development for Z, the settings for Z's risk appetite, and material business opportunities and risks. It is also responsible for the oversight of the control and accountability systems within Z.

The Z Board is responsible for matters relating to the oversight of Z's safety, wellbeing and environmental performance, compliance and risk management, and any other performance, compliance or risk management matter relating to New Zealand statutory obligations for which Directors can be held personally liable. All other matters fall within Ampol's scope for decision-making and delegation. Any changes to the scope of the CEO's Delegation of Authority require approval by Ampol.

Ampol delegates functions and powers to Z's CEO for day-to-day management and administration of Z, which allows the CEO to further delegate to employees. Delegation authorities fall within one of two categories: procurement delegations (which covers the ability for an employee to commit Z to purchasing, or agreeing to purchase, a good or service from an external vendor), and special delegations (which covers the special abilities required by specific employees to execute their role on behalf of Z). All delegations are assigned to positions, rather than individual employees.

The Z Board meets on a quarterly basis, excluding any special meetings. Prior to each Z Board meeting, the chairperson meets with the CEO to discuss the agenda for the meeting. The CEO can include non-executive employees in meetings, and the Z Board has access to all Z employees to discuss issues or obtain further information as it sees appropriate. The Z Board is responsible for approving Z materials to be included in the quarterly Ampol Board updates (i.e. reporting Z matters to Ampol Board).

The Z Constitution outlines how the Z Board deals with conflicts of interest. It states that Directors are required to disclose their interest to the Board as soon as they become aware that they are interested in a transaction or proposed transaction with the company (as per section 140 of the Companies Act). The Constitution allows an interested Director to vote on an interested transaction, be involved in the deliberation of the relevant transaction, sign documentation relating to the transaction, and act as if not an interested Director in relation to the transaction if there is legal and regulatory compliance (sections 107(1) and 141 of the Companies Act; and section 36 of the Financial Reporting Act).

Issues raised through mechanisms such as Z's Code of Conduct, Whistleblower Policy, or Fair Go Policy are communicated to Z senior management as appropriate, with any critical concerns elevated through to the Board.

No critical concerns were reported during the reporting period.

The Z Board has existed for less than a year, and therefore there has not been a review of Board performance. At the time of writing, the review process is to be determined.

Compliance with laws and regulations

During the period, no significant fine or monetary sanction was imposed against Z by any government authority, nor was Z made aware that it has broken any material law.

Z is not aware of any material non-compliance with any environmental laws and/or regulations.

Waivers

On 28 September 2022, NZX granted Z a waiver from NZX Listing Rule 3.5.1 which waived Z's obligations relating to the announcement of results on securities at each half year.

MATERIALITY

Cyber security

Cyber security

Z is committed to meeting its obligations under New Zealand privacy laws, including under the Privacy Act 2020.

Z has a number of internal security policies that govern privacy and the management of information security. These policies form part of our wider enterprise risk management process, providing the backbone of good information security practices by creating a common understanding of roles and responsibilities around the security of our customers' and our own information.

All Z people are required to undertake cyber security awareness training and receive regular updates and guidance to ensure our people are aware of their privacy and information security responsibilities, understand fundamental security topics and use Z technology in a responsible and safe way. Topics include how to detect potential cyber security attacks and how to prevent potential unintentional disclosures of information. The cyber security awareness training is refreshed regularly and reviewed annually.

Z commits to protecting:

- Our people from making mistakes that may harm them and from making mistakes that may harm customers or Z
- Our reputation by protecting our customers' data
- Our information such as customer data, employee data, and financial data from illegitimate disclosure, illegitimate deletion and illegitimate change
- Our information technology from attacks against availability, integrity and confidentiality
- Our operational technology from being abused to harm employees, customers or the environment.

Z undertakes a number of actions to track the effectiveness of its cyber security, including:

- Understanding the risks and implementing the appropriate controls
- Having the right mechanisms in place to ensure that all of Z's data is protected in accordance with their associated risks
- Building security into Z's systems from the very start and having the right mechanisms in place to ensure all systems and applications are protected in accordance with the associated risks
- Implementing the right governance structures to ensure that systems and applications cannot go live in an unknown state of information security
- Configuring our technology and resources in a way that makes it harder for employees to intentionally disclose data, and that makes it more challenging for threat actors to hack
- Ensuring that we delete all the data necessary for a particular task when there is no business need for it anymore
- Keeping track of any incidents which are detected and resolving these in a proactive manner
- Being prepared to respond to media reports of various kinds regarding our information security.

ZORMD, Z's digital platform for risk management, is used to store any security incidents, including incident logging and risk assessment, and Post Incident Reports and Post Change Reports are also completed. The incident response process is managed by Z's Information Security Team and Head of Digital Security.

The Z Board is provided with quarterly summaries of any cyber security incidents that have occurred either at Z or within the fuel industry. These summaries include initial conclusions about the incidents, any long-term improvement goals, and past, current and future cyber initiatives.

There have been no substantiated customer privacy complaints in the nine months ending 31 December 2022.

Modern slavery

Z has not identified any situations or instances of modern slavery practices in its operations or supply chains for the nine months ending 31 December 2022, and will continue to monitor the risk of modern slavery at Z.

MATERIALITY

Safety and wellbeing

Our risk management system is about managing risks to people's safety and wellbeing, and the protection of the environment.

Responsible business conduct

Z's commitments to responsible business conduct are disclosed in the following policies:

- Z Why – specifically the Z values which guide our people's actions and behaviours at: z.co.nz/about-z/our-story/
- Z's Employee Code of Conduct – the cornerstone of expected behaviour of our people and company culture (this is a Z internal document)
- Z's Supplier Code of Conduct (SCOC) – sets clear expectations of all our suppliers regarding ethical, social and environmental business practices, at: z.co.nz/sustainability/supplier-code-of-conduct/

Although Z does not have a specific policy commitment with regards to human rights, our policy regarding modern slavery practices within our supply chain and operations, and how we manage the associated risks, can be found in our Modern Slavery Statement at: https://www.z.co.nz/about-z/corporate-centre

Employee conduct

Once onboarded, our people undertake annual training of the Employee Code of Conduct, and key changes to the Z Why are shared and explained by management as they happen. Z employees are responsible for meeting the expectations outlined in these policies as part of their employment contracts with Z.

Strategic decisions are made in light of the Z Why (including Z's values) and Employee Code of Conduct. Z's operating model (the Z How) has been implemented to support the delivery of strategic decisions and choices that reflect the Z Why.

At Z, we simply talk about giving our people a 'fair go' by building a culture where we recognise and respond to everyone's behaviours fairly and consistently. The Z 'Fair Go Guide' helps us to identify and respond to behaviour that is either above, meeting or below our expectations, and helps our people build an environment where we know we will all get a fair go if we make mistakes or when things do not go according to plan.

Z is committed to creating a positive and mutually rewarding employment relationship and avoiding any need for disciplinary action. Z's recruitment policy and development framework are designed to ensure these objectives are met. Where conflicts do arise, such as poor performance or misconduct, Z has documented disciplinary procedure guidelines for use alongside the Fair Go Guide to ensure these are dealt with promptly and fairly for all Z staff.

Z also has a Discrimination, Bullying and Harassment Policy to ensure Z is a positive workplace, free from all forms of discrimination, bullying and harassment.

All our people can seek advice via their People and Culture Business Partner in relation to our policies and practices for responsible business conduct. Anonymous advice can be provided by Z's EAP provider, Clearhead, who can help our people experiencing any personal or work-related difficulties.

All our people can raise concerns via their respective People and Culture Business Partner or line manager about Z's business conduct. Concerns can also be raised via the anonymous Whistleblower hotline which is staffed by an external party.

Supplier conduct

The Supplier Code of Conduct is reiterated during contract renewals with suppliers. Z Supplier Relationship Managers are responsible for ensuring their respective suppliers are conducting themselves consistent with the Supplier Code of Conduct.

Operational risk management and asset integrity and critical incident management

Z is committed to extraordinary outcomes from its business activities and operations. Fundamental to this is the promise to achieve such outcomes in a way that safeguards people and the environment.

Our organisational risk management system is about managing risks to people's safety and wellbeing, and the protection of the environment. We believe such risks are manageable, and that good management of risks is integral to the quality, effectiveness and continual improvement of our business operations.

Occupational health and safety management system

Z has a well-established occupational health and safety management system which is referred to as Z's Organisational Risk Management system, or ZORM.

This system meets the legal requirements from the New Zealand Health and Safety at Work Act (HSWA) 2015 and relevant regulations. ZORM is certified to ISO 45001:2018 Occupational Health and Safety Management Systems, and the framework is based on ISO 31000 Risk Management standard.

The following people are in scope of ZORM: Z employees, employees of Z Retailers working at Z controlled sites, employees of Mini-Tankers franchisees working on Z tasks, and employees of contractors or suppliers who do physical work at Z-controlled sites and/or Z-owned assets.

Actions arising from incident investigations are loaded into ZORMD, Z's digital platform for risk management, which includes an action tracking system.

Progress against action completion is tracked using ZORMD dashboards. The effectiveness of actions taken is determined as part of periodic performance reviews of risk management, including the effectiveness of control systems.

Lessons from incident investigations are shared with stakeholders of similar operations within Z. Annual organisational risk reviews are conducted and improvements are considered for implementation as part of risk management improvements for each business unit.

Z holds monthly incident management and learning reviews with members of the Z Leadership Team accountable for operational business units. The status of recommendations from incident investigations are discussed at these reviews.

Hazard identification, risk assessment and incident investigation process

Z's risk assessment process is cyclical and can be applied specifically (e.g. for a task or simple activity) or broadly (e.g. across an initiative, or a complex operation or activity). It is important that the context of the activity or initiative is clear and the scope is established.

A five-step process is used to eliminate hazards and minimise risks:

- Step 1: Identify – risk identification means considering the sources of risk – those factors that can have an uncertain effect on objectives. For Safety and Wellbeing, these are usually called hazards, in similar or other contexts these can be referred to as threats or causes. Risks are identified by considering the hazards, threats, and causes.
- Step 2: Analyse – risk analysis means to further understand how the sources of risk, i.e. the hazards, threats, or causes, can lead to harm or impact our objectives. Basically, it's figuring out what (source of risk), how (the source can lead to something that happens), which then results in an impact, and who or what it might impact on. This basic approach is visualised using the bowtie model.
- Step 3: Evaluate – risk evaluation means comparing the results of the risk analysis with Z's established risk criteria (i.e. Z's Risk Analysis Matrix or ZRAM) to determine the level of risk. The purpose of risk evaluation is to support decisions.
- Step 4: Treat – the purpose of risk treatment is to select and implement options (i.e. controls) for addressing risk. Risk treatment involves an iterative process of formulating and selecting risk control or treatment options; planning and implementing controls; assessing the effectiveness of controls; deciding whether the remaining risk is acceptable; and if not acceptable, taking further treatment.
- Step 5: Review – reviewing risks including the risk context and monitoring controls is necessary to assure and improve the quality and effectiveness of process design, implementation, and outcomes. Ongoing monitoring and periodic review of the risk management process and its outcomes should be a planned part of the risk management process, with responsibilities clearly defined.

The quality of processes, including the competency of persons carrying out the process, are assured using the Lines of Defence approach in Z's risk assurance model.

Annual organisational risk reviews are conducted and improvements are considered for implementation as part of risk management improvements for each business unit.

The ZORM Standard 'Incident reporting, investigation and learning' provides a framework for learning opportunities associated with events, and supports our Safety and Wellbeing strategic guiding principles, which includes our objective to use data and information from our systems to inform the decisions we make.

The intention of this procedure is to look for learning potential in all types of events and at all severity levels. Within the framework, we can make choices to ensure our approach to learnings are suitable for the situation and available resources are allocated to where the learning potential is the greatest. Escalation and notifications are to be guided by this procedure but not limited by definitions, rather based on possible risk outcomes and learning potential.

Z subscribes to a just culture process (i.e. Fair Go) where a no-blame approach is encouraged. Where worker privacy is required, anonymous as well as confidential reporting mechanisms are used.

Stop Work Authority (SWA) is one of many important safety controls (or barriers) that we have within our ZORM toolbox to help us to manage our risks. SWA is designed to provide all of our people (staff, drivers, visitors and contractors) with the authority to be able to call a stop to work whenever there is an unsafe condition or behaviour (actual or perceived) that could result in an unwanted event.

Z uses the following processes to investigate work-related incidents:

- The Incident Cause Analysis Method (ICAM) methodology is a systematic approach to incident investigation, finding the root causes of incidents, and putting a process in place to ensure corrective actions are effective
- The '5 Whys investigation' is a simple but powerful tool for quickly uncovering the root of a problem so the real issue can be addressed. By starting with the problem and asking 'why' it happened until the root cause of the problem is reached, you will then be able to identify a way of preventing it happening again
- If the problem proves to be more complex then a more detailed full investigation approach may be more appropriate

Having Capable and Courageous people is key to meeting our risk management commitments and is fundamental to living our Safety and Wellbeing stand of enhancing the lives of our people and communities

MATERIALITY

Safety and wellbeing

- The learning teams approach is a workshop-based learning tool that enables generation of insights and ideas for faster continuous improvement and micro-innovation. They promote greater collaboration in-the-line to foster collective intelligence. They are an effective tool for learning in a range of operational situations including incidents, near misses, quality events, operational upsets, legal issues, inventory misses, engineering changes, new suppliers and challenging designs
- Specialised areas – Food Safety and Robbery investigations are targeted investigation methods for these specialised areas. As part of the investigation process, the lead investigator collects more detailed information on the event, identifying the underlying root cause, and provides information and findings with external parties when required (e.g. suppliers, police or local authorities).

Occupational health services

Our operations can create risks that affect the health and wellbeing of our people. We use a range of Health Risk Assessment processes and tools to determine the health risks for particular roles or tasks.

Health Risk Assessments are completed by individuals and teams as soon as health risks are identified. These assessments are completed by managers, and internal specialists when more formal assessment is required for significant health risks as part of an organisational risk assessment. Assessments are conducted by external medical and/or allied health professionals when more detailed specialist knowledge is required.

Given the specialist nature of health risks and the growing body of knowledge of how exposures to certain substances, activities, and situations can affect health outcomes, a wider enterprise assessment is completed periodically. This assessment follows a standard methodology and is completed by appropriately qualified specialists who can provide an up-to-date overview of the current health risks and controls. In all cases, we follow the hierarchy of controls when considering how to manage the health risks posed by these hazards.

Z's occupational health service providers include a company medical adviser, fitness for work health services provider, drug and alcohol testing services, an employee assistance program for mental health and wellbeing issues, and other health and wellbeing programmes and promotions.

Worker participation, consultation and communication on occupational health and safety

At Z, we recognise that to live our Safety and Wellbeing Stand, we need to have visible safety leadership, an enabled system, and a group of highly engaged people. Engaged people is all about getting our people involved in preventing and managing risks in the workplace.

Established structures used to engage our people are the following: Safety and Wellbeing committee (Supply workers), Safety Champs (Retail site workers), Risk advisory group (Mini-Tankers), Z Permit Issuers Community of Practice (COP). These groups include management representatives.

Worker training on occupational health and safety

The ZORM Standard, Capability, outlines how Z builds the capability required to ensure all people working for Z know how they can keep themselves and others safe while doing their work. In ZORM, capability is generally about competency and training, and includes the understanding of processes, and the use of tools and other resources that enable effective management of operational risks.

Having Capable and Courageous people is key to meeting our risk management commitments and is fundamental to living our Safety and Wellbeing stand of enhancing the lives of our people and communities.

The Safety and Wellbeing competency framework covers nine Safety and Wellbeing competency areas within Z. Eight areas show the knowledge, skills, and behaviours that are essential across Z. The other area relates to Safety and Wellbeing specialist skills, which recognises that some people (regardless of their role) take on additional Safety and Wellbeing responsibilities, such as First Aider and Building Warden. The Safety and Wellbeing competencies sit within a wider context of what is required to be successful at Z. These include: Our values, Leadership, Z systems and policies.

Promotion of worker health

All employees are provided with access to benefits from a group medical insurance service provider. Employees also have access to the ZORM health and wellness hub, which is provided by a service provider, Vitality Works. An employee assistance programme is also provided to employees and their immediate family (clearhead.org.nz).

Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

The term PCBU (Person Conducting a Business or Undertaking) is found in the Health and Safety at Work Act 2015 to help better define who will be duty holders for the health and safety of workers and other people involved. In basic terms, the PCBU concept (and associated duties) means that all parties who cause a worker to be engaged in a task owe a legal duty to manage health and safety matters for that worker.

For each worker or workplace there may be more than one PCBU involved and so duties are owed concurrently. For our partners this means that while they are a PCBU as the workers' direct employer, Z is also a PCBU owing its own duties to the same worker.

Under law, the primary duties of the PCBU are that a PCBU must ensure, as far as is reasonably practicable, the health and safety of workers who work for the PCBU while the workers are at work in the business or undertaking, and workers whose activities are influenced or directed by the PCBU while they are doing the work.

A PCBU must ensure, so far as is reasonably practicable, that the health and safety of other persons is not put at risk from work carried out as part of the conduct of the business or undertaking.

Z's PCBU Policy helps us understand how this concept will apply to the relationships we have with our diverse range of partners. A supporting procedure provides guidelines on how to apply our PCBU Policy for all seven of our PCBU relationship classifications, as follows: We're in it with them; They're our landlord; We're connected; We're joined; They're the experts; We're an asset owner; and We're interested.

When Z supplies and/or imports products, equipment or assets that will or could be used in a workplace, then there are specific obligations under the Act that will also apply. These obligations also apply to any PCBU that supplies products, equipment or assets to Z.

Workers covered by ZORM

Workers who are not Z employees, are doing work for Z as employees of a third party and are working in a non-Z controlled site (e.g. working at third-party offices such as marketing agencies, or consultants) are excluded from the scope of ZORM.

Injury classifications are based on US OSHA criteria, e.g. lost time injuries. Process safety criteria are based on American Petroleum Institute (API) criteria.

Work-related injuries

Work-related hazards that pose a risk of high consequence injury are categorised as High Potential Consequence Events (or HiPos) – these are accidents, near misses, and other events or situations that meet the threshold for a high or critical risk event set by Z. Such events have or would have led to more serious injury or illness, or impact to assets, environment, or operations.

In general HiPos may include any injury event that did cause or could have caused a serious harm injury or illness. HiPos must include any event that occurs that meets the definition of a Notifiable Event under the WorkSafe framework. It is important to note certain criteria must be met for a HiPo event to be recorded or counted as such.

The following are sub-categories for HiPos: serious injury or illness; serious work-related stress case; robbery (aggravated); high-risk motor vehicle incident; fall from height; process safety event; spill to ground or water; fire and/or explosion, and electric shock; excavation and confined spaces risk; fuel quality incident; marine vessel collision; Z Life Saver event; food safety incident.

The purpose of monitoring HiPos is to have an overall measure of operational risk events that may result in major or extreme consequences we are trying to prevent or mitigate. This is in line with the top priority operational risks in Z's profile.

Occupational health and safety incidents

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

We know that wellbeing can only be achieved when we are physically and emotionally healthy and feel safe in the work that we are doing, as well as being safe and supported in bringing our true selves to our work.

We recognise that we have a broad risk profile and operate across Aotearoa New Zealand. As such, we proactively identify and eliminate or manage the risks that we create or face.

Occupational health and safety incidents at Z are thoroughly investigated to ensure recommendations and actions are identified that contribute to Z meeting its commitments and policies.

There have been five lost time injuries (LTIs) at Z in the nine months to 31 December 2022. In total, these LTIs resulted in 23 lost workdays. The most severe of these work-related injuries was an incident at a wharf which required hospital treatment. A case where a worker received an electric shock was recorded in October 2022; the worker was not injured. WorkSafe was notified of both of these incidents.

Asset integrity and critical incidents

On 21 August 2022, a false activation of the fire suppression system at the Z Mount Maunganui North Terminal gantry resulted in the release of approximately 1,000 litres of fire suppression foam (Ansulite AFC3B 3% AFFF) at three percent solution with water. The bulk of the mixture was contained and stored in a tank within the site. Investigations showed no significant impact on the environment from the release.

WorkSafe and the Regional Council were notified of the incident.

An internal investigation into the event was carried out – recommendations and actions relate to improving the design integrity of the component that failed (i.e. the alarm call point) and addressing these across all Z terminals. There have been no enforcement actions related to remediation or regulatory compliance.

Employees and other workers

Employees

Employees by gender (all employment types)

Employee type	Female	Male	Non-binary	Not disclosed	Total
Number of employees (total)	**224**	**291**	**2**	**1**	**518**
Permanent employees	202	269	2	1	**474**
Fixed-term (temporary) employees	21	19	0	0	**40**
Casuals (non-guaranteed hour employees)	1	3	0	0	**4**
Full-time employees	**200**	**279**	**2**	**1**	**482**
Part-time employees	**23**	**9**	**0**	**0**	**32**

Employees by region (all employment types)

Region	Auckland	Canter-bury	Otago	Bay of Plenty	Hawke's Bay	Nelson	Wellington	Mini-Tankers Drivers	Home Offices	Total
Number of employees (total)	**89**	**54**	**4**	**11**	**6**	**13**	**322**	**13**	**6**	**518**
Permanent employees	85	52	4	11	6	11	294	5	6	**474**
Fixed-term (temporary) employees	4	1	0	0	0	0	27	8	0	**40**
Casuals (non-guaranteed hour employees)	0	1	0	0	0	2	1	0	0	**4**
Full-time employees	**84**	**50**	**4**	**10**	**5**	**11**	**299**	**13**	**6**	**482**
Part-time employees	**5**	**3**	**0**	**1**	**1**	**0**	**22**	**0**	**0**	**32**

Total number of employees by employment type (full-time and part-time), by gender

Employee type	Female	Male	Non-binary	Not disclosed	Total
Full time	194	279	2	1	**476**
Part time	22	9	0	0	**31**
On parental leave	7	0	0	0	**7**

Note

This data has been extracted from Z's payroll system.

Our fixed-term employees include 15 interns who have joined Z through Summer of Tech and Tupu Toa intern programmes, and 12 Zee Mini-Tankers drivers who have temporarily transitioned into Z from a Zee franchise.

Of the 7 employees who were on parental leave as at 31 December 2022, 6 were working full time and 1 part time prior to commencing their parental leave.

Other workers

Z has 12 other workers including 11 contractors working for Z in the following business units: Supply, People and Culture, Digital, Legal and Governance; and one Ampol employee who is currently on secondment to Z.

Employment practices

People are at the core of our business, including our Z whānau (family), customers, communities, suppliers and partners. We are committed to upholding human rights to protect workers and prevent exploitation across our business.

All our Z direct employees work in New Zealand. They are employed on predominantly permanent employment individual agreements which we regularly review to ensure compliance with New Zealand employment legislation. We recruit almost all the vacancies into these roles ourselves, using a recruitment process that is compliant with New Zealand employment legislation and puts a heavy emphasis on candidate care.

In Bulk Fuels, we engage some personnel via third-party contractual arrangements under terms and conditions set out in standard Z procurement contracts.

These contractors are legitimate trading entities in New Zealand and abide by Z's policies and procedures of safe work practices and employee engagement processes, including training, risk assessment and control of works.

In other areas of Z we very seldomly use labour hire agencies to support our direct workforce, however, when we do, we use reputable, New Zealand-based organisations which comply with New Zealand employment law. We ensure these workers are fully inducted into Z's policies, code of conduct and values so their actions can also be guided by these.

A core characteristic of Z's generative risk culture is that our employees and the contractors, suppliers and partners we work with are encouraged and empowered to proactively raise any areas of risk, including unsafe or unfair working conditions such as modern slavery practices, so that it can be appropriately assessed and remediated, and to ensure appropriate mitigations are embedded into everything we do to prevent the risk from happening again.

In New Zealand, franchised retail service station operations have been identified as a potential area of modern slavery risk as they tend to employ higher numbers of migrant workers. We have taken steps to communicate with our Retail network members about modern slavery and our human rights expectations, and we have sought assurance from them that they comply with these expectations. We also publicised our 'We've Got Your Back' campaign with our Retail network members in an effort to ensure they could voice their concerns.

New employee hires and employee turnover

Total number and rate of employee turnover during the reporting period, by age group, gender and region

	Number	Rate
Age Group		
Under 30 years	37	40%
30–50 years	43	47%
Above 50 years	12	13%
Gender		
Female	43	47%
Male	48	52%
Non-binary	0	0%
Not disclosed	1	1%
Region		
Auckland	9	10%
Canterbury	4	5%
Otago	0	0%
Bay of Plenty	0	0%
Hawke's Bay	2	2%
Nelson	3	3%
Wellington	60	65%
Mini-Tankers Drivers	14	15%
Home Offices	0	0%

Total number and rate of new employee hires during the reporting period, by age group, gender and region

	Number	Rate
Age Group		
Under 30 years	22	41%
30–50 years	25	46%
Above 50 years	7	13%
Gender		
Female	12	22%
Male	40	74%
Non-binary	0	0%
Not disclosed	2	4%
Region		
Auckland	14	26%
Canterbury	3	6%
Otago	0	0%
Bay of Plenty	1	2%
Hawke's Bay	0	0%
Nelson	1	2%
Wellington	31	57%
Mini-Tankers Drivers	4	7%
Home Offices	0	0%

Employment practices continued

Benefits for full-time employees

At Z we believe in rewarding people for extraordinary performance, and this is reflected in our remuneration packages. Alongside a competitive base salary, our Crew Promise includes:

- enhanced five percent employer contribution for KiwiSaver
- two days a year to do 'good in your hood', though our volunteering scheme
- a competitive annual incentive scheme
- generous leave allowances including enhanced sick leave
- the option to buy additional annual leave
- the option to participate in our Employee Share Scheme
- 26 weeks topped up parental leave, a return to work payment and paid leave for non-primary carers
- health insurance for employees and their families
- wellbeing partnerships and initiatives
- rewards for referring top talent
- discounts with our local and national partners.

The only benefits that are not applicable to fixed-term employees are our annual incentive scheme, participation in our Employee Share Scheme and health insurance.

We consider any location with more than 20 employees to be a significant location of operation.

Parental Leave

Parental leave at Z is based on supporting all staff to achieve a satisfying and productive life/work balance. The intent is to support staff with a contribution of time and financial support to minimise personal and financial stress, maintain their job and career opportunities, and maximise their ability to return to the workplace in good mental and physical health.

Total number of employees that were entitled to parental leave, by gender

Female	Male	Non-binary	Not disclosed	Total
223	288	2	1	**514**

Total number of employees that took parental leave, by gender

Female	Male	Non-binary	Not disclosed	Total
17	2	0	0	**19**

Total number of employees that returned to work in the reporting period after parental leave ended, by gender

Female	Male	Non-binary	Not disclosed	Total
10	2	0	0	**12**

Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender

Female	Male	Non-binary	Not disclosed	Total
11	0	0	0	**11**

Return to work and retention rates of employees that took parental leave, by gender

Employee type	Female	Male	Non-binary	Not disclosed
Return to work rate	100%	100%	N/A	N/A
Retention rate	100%	100%	N/A	N/A

Minimum notice periods regarding operational changes

We are committed to the promotion of consultation and co-operation in the workplace, and in the relationships between each other. Our minimum notice period for operational change is four weeks.

Training and education

Education levels

The following table provides information about the education levels of employees

Education level	Number
Tertiary	286
Postgraduate	117
Secondary	65
None or unknown	46

Training

Average hours of training per year per employee, by gender

Gender	Average number of training hours
Female	20
Male	21
Non-binary	8
Not disclosed	20

Average hours of training per year per employee, by employee category

Role	Average number of training hours
Leader of Self	21
Senior Leader	21
People Leader	30
Exec	29

Note

The tables above include data from all leadership development programmes, Te Tiriti and Te Ao Māori training, onboarding and operational technical training, and online compliance training. The tables exclude professional training required for staff to perform their functions.

Programmes for upgrading employee skills and transition assistance programmes

Over the nine-month reporting period, Z has focused on building leadership capability through a range of leadership development programmes. This included Leader's Map for frontline leaders, Women Rising, and a Senior Leaders development programme.

Half of Z employees participated in workshops on Te Tiriti o Waitangi, and 20 percent enrolled in our first cohort of a Te Ao Māori development programme.

To ensure risks are managed appropriately, compliance training is critical. A focus on compliance training in 2022 has resulted in over 99% of compliance training being completed including refresher training. Training in our aviation and terminal operations continues to evolve to ensure these teams have everything they need to operate safely and reliably.

We partner with an outplacement provider to offer a suite of transition assistance services, including CV and LinkedIn profile development, job search and interview preparation, and career coaching. Our EAP provider also offers dedicated career coaches available for all employees to utilise.

Performance and career development reviews

All employees received regular performance feedback and coaching throughout the year. Over 90 percent of employees completed an Individual Development Plan.

Diversity policy

Z is committed to a culture that promotes and values diversity and inclusiveness. This is reflected in our Diversity and Inclusion policy which applies to all Z people and sets out processes for annual review of the organisation's performance against the policy and how it will be measured.

Z has a clear plan to increasingly build diversity into our business. We have made some progress and there is more work to be done. Please refer to pages 54–57 for more information on Z's commitments in the Diversity and Inclusion space. Further detail can also be found here: https://www.z.co.nz/about-z/what-we-stand-for/diversity-and-inclusion

Diversity of employees

The following tables provide additional detail to our Diversity and Inclusion stand, refer to pages 54–57.

Diversity information about the Z Board can be found on page 64 and in Ampol's 2022 Corporate Governance Statement at: https://www.ampol.com.au/about-ampol/investor-centre/corporate-governance

Number of individuals by gender, age and ethnicity

	Employees		Executive	
	9 months to 31 Dec 2022	FY22	9 months to 31 Dec 2022	FY22
Gender				
Female	219	194	4	4
Male	283	284	5	5
Non-binary	2	3	0	0
Not disclosed	1	0	0	0
Age group				
Under 30 years	90	87	0	0
30–50 years	291	280	4	4
Above 50 years	124	114	5	5
Ethnicity				
NZ European/Pākehā	279	276	8	8
European	54	49	1	1
Asian (including Indian and Pakistan)	82	73	0	0
Other ethnicity	13	12	0	0
Information not provided	13	21	0	0
Middle Eastern/Latin American/African	12	9	0	0
Māori	35	32	0	0
Pacific Islander	17	9	0	0

Note

These figures include permanent and fixed-term employees.

The age groups of Z's permanent employees at 31 December 2022

Age	% Employees
Under 30 years	18%
30–50 years	57%
Above 50 years	25%

The number of Z's permanent employees with dependants at 31 December 2022

Dependants	Employees
No	200
Yes	268
Not disclosed	46

The ethnicities of Z's permanent employees at 31 December 2022

Ethnicity	% Employees
NZ European/Pākehā	57%
European	11%
Asian (including Indian and Pakistan)	16%
Middle Eastern/Latin American/African	2%
Māori	6%
Pacific Islander	4%
Other ethnicity	3%
Information not provided	1%

Remuneration

Remuneration policies and process to determine remuneration

We believe in creating a clear link between performance and reward.

Z seeks to benchmark total fixed remuneration (base pay) to the upper quartile of the external market. This means that with our Short Term Incentive (STI), the total rewards we offer are in the top 10 percent of the New Zealand market when people deliver results above plan. This includes both individual targets and company-wide targets.

Every permanent Z employee's remuneration package comprises a base salary, an STI component, and health insurance (with Southern Cross) for themselves and their immediate family. Z also makes a five percent employer contribution to KiwiSaver.

All Z employees had regular performance and career development reviews during the reporting period.

The base-salary model is informed and adjusted each year based on data from independent remuneration specialists, with the budget approved by the Ampol HR Committee. An employee's base salary is determined from a matrix of their own performance and their current position in the market, and is reviewed annually.

Information on Non Executive Director remuneration can be found in Ampol's 2022 Annual Report at: https://www.ampol.com.au/about-ampol/investor-centre/reports-and-presentations

Annual total compensation ratio

Ratio of annual total compensation of highest-paid individual to the median for all employees

Total compensation	Overall
Annual total compensation highest-paid to median (excl. CEO)[1]	24.71:1
Percentage increase in annual total compensation highest-paid individual to median (excl. CEO)[2]	0.43:1

Note

[1] The annual total compensation highest-paid individual (CEO) to median (excl. CEO) ratio is the total compensation received in the nine months from 1 April to 31 December 2022. It includes salary, STI payments, long-term incentive payments, recognition awards, settlement payments, redundancy payments and any other one-off payments, for all employees who worked for the nine-month period relative to the highest-paid individual (CEO).

[2] The percentage increase in annual total compensation highest-paid individual (CEO) to median (excluding CEO) is the percentage increase in base salary for the nine months from 1 April 2022 to 31 December 2022. If we were to look at total compensation for this nine-month period in comparison with the previous reporting period, being a 12-month period, we would see most employees having decreased total compensation due to the inconsistent time periods used.

The median increase in base salary for all employees other than the CEO was 4.64%. The CEO base salary increase was 2.0%. However, as evidenced in the 'earning over $100,000' disclosure below, relative to this same disclosure last year, the total compensation increase for the CEO exceeded 2%. Further detail on CEO remuneration is detailed on pages 82, 83 and 85 of Ampol's 2022 Annual Report at: https://www.ampol.com.au/about-ampol/investor-centre/reports-and-presentations

Remuneration continued

Gender pay ratio

Z's primary method for tracking gender pay internally measures the gap across all career levels, excluding the Executive, as their remuneration is driven by market rates for their individual roles.

When excluding our CEO, the gender pay gap across Z in FY22 was 2.49 percent, and 3.04 percent when excluding our CEO and Executive.

Our overall gender pay gap for all staff (including our CEO and executive team) for the nine months to 31 December 2022 is 5.26%, which has dropped from 6.71% since our last annual report.

Z is committed to closing its gender pay gap to zero by FY24 across all employee levels and to supporting work in support of pay equity across the economy.

The ratios of average female to male remuneration for Z's permanent employees at 31 December 2022 are set out to the right. Significant locations of operation are those regions where at least 20 males and females are employed.

Ratio of basic salary and remuneration of women to men, by significant location of operation

By significant location of operation	Overall	Wellington	Auckland
Average base salary women to men (all Z)	0.94:1	0.88:1	0.77:1
Average base salary women to men (excl. CEO & Executive)	0.97:1	0.94:1	0.77:1
Average base salary women to men (excl. CEO)	0.98:1	0.93:1	0.77:1

Ratio of basic salary and remuneration of women to men for each employee category

By role		Wellington	Auckland
Leader of Self	1.01:1	0.94:1	0.86:1
Senior Leader	0.91:1	0.93:1	1.01:1
People Leader	0.97:1	0.91:1	0.89:1
Executive	0.67:1	0.67:1	N/A

Short Term Incentive (STI) scheme at Z

Our STI model is focused on setting clear performance goals for Z overall, and rewarding all our people for working together to deliver these.

STI payments are calculated as a percentage of base salary and are determined based on the complexity of individual roles. Employees' STI payments are determined following a review of the company's performance and may be paid out at a multiplier of between zero to two times an individual's STI target. While the value of the employee STI payments are solely driven by company performance (with the exception of the Executive Team and Commercial Sales employees), any individual who is underperforming is not eligible for participation in this scheme.

In February/March 2022, the CEO and the Board agreed on the company objectives to be achieved in the following financial year. The company objectives are targets aligned to the four strategic objectives which are: to always be safe and reliable, deliver awesome customer experiences, generate heaps of free cash flow and grow non-fossil fuel income. The Ampol Chief Executive and Board Chair will assess progress against these objectives after the year-end results have been confirmed. In determining an overall performance rating, the key result areas are assessed individually and any additional achievements beyond plan are considered.

An STI payment will be paid only if 85 percent of the annual company RC EBITDAF target has been met. Once this threshold has been met, payment is subject to the overall company performance rating. The Board considers the following areas of performance when determining the overall level of company performance:

- Significant Safety and Wellbeing incidents, such as fatalities
- Significant adverse reputational incidents, such as customer reaction to an operational failure
- The company's reputational alignment with being a world-class Kiwi company.

The CEO Target amounts for Z meeting expectations for both company and individual performance is 50 percent of base salary. The Executive Target amounts for Z meeting expectations for both company and individual performance is 30 percent of base salary. For the CEO and Executives, if the individual and/or the company's overall performance is below or exceeds expectations a multiplier is applied:

	Individual performance	Unacceptable	Below expectations	Strong performance	Exceeds	Extraordinary
Company Performance	Extraordinary	0.00	0.00	2.00	2.50	3.00
	Exceeds	0.00	0.00	1.50	2.00	2.50
	Strong performance	0.00	0.00	1.00	1.50	2.00
	Below expectations	0.00	0.00	0.50	1.00	1.50
	Unacceptable	0.00	0.00	0.00	0.00	0.00

Notes

Z's STI is based on three things for the CEO and Executive:
1. Company performance ratings
2. Individual performance rating
3. Base salary and the on-target payment for role.

Remuneration continued

Z employees' remuneration

The total number of corporate employees is 518, of which 474 are permanent.

282 Z employees (or former employees) received remuneration and other benefits over $100,000 in their capacity as employees during April to December 2022, as set out in the table to the right. This includes salary, short-term incentive payments, recognition awards, settlement payments and redundancy payments for all permanent employees.

This disclosure is based on actual amounts received in the reporting period (1 April to December 2022). Z notes the high proportion of employees (55 percent) earning above $100,000 reflects Z's business model decisions. For example, traditionally lower-earning employee roles (like call centre staff) are presently outsourced to other New Zealand-based organisations.

The proportion of employees earning above $100,000 in this reporting period is lower than the previous period (55 percent versus 72 percent) as this report covers 9 months rather than 12 months.

Amount of remuneration (for the 9 months to 31 December 2022)	Employees
$100,000 to $110,000	40
$110,001 to $120,000	36
$120,001 to $130,000	27
$130,001 to $140,000	27
$140,001 to $150,000	24
$150,001 to $160,000	22
$160,001 to $170,000	22
$170,001 to $180,000	18
$180,001 to $190,000	9
$190,001 to $200,000	6
$200,001 to $210,000	5
$210,001 to $220,000	7
$230,001 to $240,000	4
$240,001 to $250,000	3
$250,001 to $260,000	2
$260,001 to $270,000	5
$270,001 to $280,000	2
$280,001 to $290,000	1
$300,001 to $310,000	1
$310,001 to $320,000	2
$320,001 to $330,000	1
$340,001 to $350,000	2
$350,001 to $360,000	2
$360,001 to $370,000	1
$380,001 to $390,000	2
$400,001 to $410,000	1
$410,001 to $420,000	1
$790,001 to $800,000	1
$860,001 to $870,000	1
$920,001 to $930,000	1
$940,001 to $950,000	1
$950,001 to $960,000	1
$970,001 to $980,000	1
$1,060,001 to $1,070,000	1
$1,270,001 to $1,280,000	1
$2,850,001 to $2,860,000	1
Total	**282**

Flick Energy employees' remuneration

The data in this table relates to Flick Energy permanent employees only and the figures include all remuneration and benefits.

Amount of remuneration (for the 9 months to 31 December 2022)	Employees
$100,000 to $110,000	3
$110,001 to $120,000	2
$130,001 to $140,000	3
$140,001 to $150,000	2
$150,001 to $160,000	1
$260,001 to $270,000	1
$270,001 to $280,000	1
$530,001 to $540,000	1
Total	**14**

Charitable donations

For the nine months ended 31 December 2022, Z made total donations of $2,475,383 (2022: $780,121).

Flick Energy Limited made donations of $1,617 (2021: $nil) during this period.

Directors' and senior officers' interests in bonds

None of Z's Directors for the nine months to 31 December 2022 held any interest in Z Energy bonds.

None of Z's Executive team hold any Z bonds.

Distribution of ordinary bonds and bondholders

At 31 December 2022

ZEL 050

Size of holding	Number of bondholders	%	Number of bonds
1–1,000	0	0.00	0
1,001–5,000	79	8.83	395,000
5,001–10,000	199	22.23	1,926,000
10,001–50,000	512	57.21	14,292,000
50,001–100,000	67	7.48	5,633,000
100,001 and over	38	4.25	47,754,000
Totals	**895**	**100**	**70,000,000**

ZEL 060

Size of holding	Number of bondholders	%	Number of bonds
1–1,000	0	0.00	0
1,001–5,000	125	19.20	625,000
5,001–10,000	171	26.27	1,624,000
10,001–50,000	296	45.47	7,418,000
50,001–100,000	32	4.91	2,629,000
100,001 and over	27	4.15	112,704,000
Totals	**651**	**100**	**125,000,000**

Our 20 largest registered bondholders

At 31 December 2022

ZEL 050

Rank	Holder name	Account	Total units	% issued capital
1	Custodial Services Limited	4	14,655,000	20.94
2	FNZ Custodians Limited		8,061,000	11.52
3	Forsyth Barr Custodians Limited	1-CUSTODY	5,534,000	7.91
4	New Zealand Central Securities Depository Limited		4,976,000	7.11
5	Forsyth Barr Custodians Limited	1 E	2,290,000	3.27
6	Investment Custodial Services Limited	<C A/C>	2,270,000	3.24
7	Hobson Wealth Custodian Limited	RESIDENT CASH	1,857,000	2.65
8	JBWERE (Nz) Nominees Limited	NZ RESIDENT	1,328,000	1.9
9	FNZ Custodians Limited	DTA NON RESIDENT	709,000	1.01
10	Karl Heinz Lehmann & Anne Marie Lehmann		600,000	0.86
11	Craig Paul Werner & Lea Lynn Werner		310,000	0.44
12	JBWERE (Nz) Nominees Limited	<56413 A/C>	308,000	0.44
13	Alistair Wyatt White & Elisabeth Anne Marie White	<CAMERON WHITE FAMILY A/C>	300,000	0.43
13	Kiwigold.Co.Nz Limited	KIWIGOLD	300,000	0.43
13	Zhaoxi Lu		300,000	0.43
14	Green Lane Research & Education Fund Board		250,000	0.36
15	Custodial Services Limited	6	235,000	0.34
15	FNZ Custodians Limited	DRP NZ	235,000	0.34
16	Custodial Services Limited	12	215,000	0.31
17	Matthew M Campbell & Anne Davidson & Janice H Atkinson	LISMORE 2022	200,000	0.29
17	JBWERE (Nz) Nominees Limited	NR USA	200,000	0.29
17	Lukennedy Nominees Limited		200,000	0.29
17	The Henry & William Williams Memorial Trust (Inc)		200,000	0.29
17	Christopher Geoffrey Simmonds & Judith Florence Simmonds	SIMMONDS FAMILY	200,000	0.29
18	Lindsay Morrell Jones & Diann May Jones		180,000	0.26
19	Fei Liu & Tao Yang		167,000	0.24
20	Edric Peter Wait		150,000	0.21
20	Lorne Gylen Campbell & Wendy Marie Campbell		150,000	0.21
20	Forsyth Barr Custodians Limited	1 NRL AIL	150,000	0.21
20	Hobson Wealth Custodian Limited	EQUITIES DTA	150,000	0.21
20	Angela Frances Middlemass		150,000	0.21
20	William Faughn Hester & Marilyn Joyce Hester		150,000	0.21
20	Richard William Stannard	ESME & TOM TOMBLESON CHARITABLE	150,000	0.21
20	Jacobus Johannes Maria Van Bergen & Ruth Marie Van Bergen & Kfs Trustees Limited	HALCEYON INVESTMENT	150,000	0.21

ZEL 060

Rank	Holder name	Account	Total units	% issued capital
1	Custodial Services Limited	4	47,805,000	38.24
2	Forsyth Barr Custodians Limited	1-CUSTODY	19,092,000	15.27
3	FNZ Custodians Limited		14,351,000	11.48
4	New Zealand Central Securities Depository Limited		10,988,000	8.79
5	Hobson Wealth Custodian Limited	RESIDENT CASH	6,536,000	5.23
6	JBWERE (Nz) Nominees Limited	NZ RESIDENT	4,931,000	3.94
7	Forsyth Barr Custodians Limited	1 E	1,327,000	1.06
8	NZX Wt Nominees Limited	CASH	1,146,000	0.92
9	FNZ Custodians Limited	DTA NON RESIDENT	906,000	0.72
10	Investment Custodial Services Limited	<C A/C>	853,000	0.68
11	Lu Ren & Yanan Xu		600,000	0.48
12	Custodial Services Limited	6	562,000	0.45
13	Hobson Wealth Custodian Limited	EQUITIES DTA	451,000	0.36
14	FNZ Custodians Limited	DRP NZ	436,000	0.35
15	Best Farm Limited		400,000	0.32
16	Custodial Services Limited	12	294,000	0.24
17	Clutha Nominees Limited		250,000	0.2
18	Forsyth Barr Custodians Limited	1 NRL AIL	220,000	0.18
19	JBWERE (Nz) Nominees Limited	<56413 A/C>	205,000	0.16
20	Kps Society Limited		200,000	0.16
20	Andrew George Anson & Joanne Patricia Anson	CENTURION FAMILY	200,000	0.16
20	Dunedin Diocesan Trust Board	INCOME FUND	200,000	0.16
20	Woolf Fisher Trust Inc		200,000	0.16

Pūrongo pūtea

Financial statements

Statement of comprehensive income for the nine months ended 31 December 2022

	Notes	9 months ended 31 December 2022 $m	12 months ended 31 March 2022 $m
Revenue	6	**6,005**	5,002
Expenses			
Purchases of crude, product and electricity		**4,333**	2,802
Excise, carbon and other taxes	11	**1,056**	1,270
Operating expenses		**309**	360
Share of (earnings)/loss of associate companies (net of taxation)	15	**(2)**	18
Depreciation and amortisation	12, 13	**72**	118
Net financing expense	8, 18	**47**	38
Impairment	12, 13	**111**	-
Net lease expenses	10	**29**	34
Fair value movements in interest rate and commodity derivatives		**(83)**	(33)
Loss on sale of property, plant and equipment		**1**	1
Gain on sale of intangible assets		**(15)**	-
Increase in decommissioning and restoration provision	17	**1**	10
Total expenses		**5,859**	4,618
Net profit before taxation		**146**	384
Taxation expense	9	**38**	115
Net profit for the period		**108**	269
Net profit attributable to the owners of the company		**98**	266
Net profit attributable to non-controlling interest	5	**10**	3
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Valuation adjustment of land and buildings	12	**(2)**	179
Revaluation of investments	15	**19**	27
Decommissioning and restoration provision increase		**-**	(4)
Total items that will not be reclassified to profit or loss		**17**	202
Items that are or may be reclassified subsequently to profit or loss			
Cash flow hedge and cost of hedging		**1**	(16)
Other comprehensive income net of taxation		**18**	186
Total comprehensive income after taxation		**126**	455
Total comprehensive income attributable to owners of the company		**116**	452
Total comprehensive income attributable to non-controlling interest		**10**	3
Basic and diluted earnings per share (cents)		**19**	51

Statement of changes in equity for the nine months ended 31 December 2022

	Notes	Capital $m	Retained earnings $m	Investment revaluation reserve $m	Employee share reserve $m	Hedging reserve $m	Asset revaluation reserve $m	Non-controlling interest $m	Total equity $m
Balance at 1 April 2021		**767**	**39**	**(91)**	**(8)**	**16**	**285**	**(2)**	**1,006**
Net profit for the period		-	266	-	-	-	-	3	269
Other comprehensive income		-	-	27	-	(16)	175	-	186
Total comprehensive income for the period		**-**	**266**	**27**	**-**	**(16)**	**175**	**3**	**455**
Transfers between reserves									
Share-based scheme not vesting	21	-	1	-	(1)	-	-	-	-
Disposal of revalued assets		-	3	-	-	-	(3)	-	-
Transactions with owners recorded directly in equity									
Cancelled shares	20	-	(1)	-	1	-	-	-	-
Share-based payments	21	-	-	-	3	-	-	-	3
Dividends to equity holders	20	-	(109)	-	-	-	-	-	(109)
Supplementary dividends to equity holders	20	-	(9)	-	-	-	-	-	(9)
Tax credit on supplementary dividends	20	-	9	-	-	-	-	-	9
Total transactions with owners recorded directly in equity		**-**	**(110)**	**-**	**4**	**-**	**-**	**-**	**(106)**
Balance at 31 March 2022		**767**	**199**	**(64)**	**(5)**	**-**	**457**	**1**	**1,355**
Balance at 1 April 2022		**767**	**199**	**(64)**	**(5)**	**-**	**457**	**1**	**1,355**
Net profit for the period		-	98	-	-	-	-	10	108
Other comprehensive income		-	-	19	-	1	(2)	-	18
Total comprehensive income for the period		**-**	**98**	**19**	**-**	**1**	**(2)**	**10**	**126**
Transfers between reserves									
Disposal of revalued assets		-	(2)	-	-	-	2	-	-
Transactions with owners recorded directly in equity									
Cancelled shares	20	(1)	(3)	-	4	-	-	-	-
Change in ownership of Flick non-controlling interest	5	-	4	-	-	-	-	(7)	(3)
Proceeds from NCI purchase of units in Z Property Limited Partnership	5	-	-	-	-	-	-	132	132
Share-based payments	21	-	-	-	1	-	-	-	1
Dividends to equity holders	20	-	(230)	-	-	-	-	-	(230)
Distributions paid to Partner	5	-	-	-	-	-	-	(1)	(1)
Total transactions with owners recorded directly in equity		**(1)**	**(229)**	**-**	**5**	**-**	**-**	**124**	**(101)**
Balance at 31 December 2022		**766**	**66**	**(45)**	**-**	**1**	**457**	**135**	**1,380**

Statement of financial position
At 31 December 2022

	Notes	31 December 2022 $m	31 March 2022 $m
Shareholders' equity			
Equity attributable to owners of the company		1,245	1,354
Non-controlling interest	5	135	1
Total equity		1,380	1,355
Represented by:			
Current assets			
Cash and cash equivalents		66	15
Accounts receivable and prepayments		596	513
Related party receivable	22	154	-
Inventories	11	712	629
Derivative financial instruments	19	33	26
Assets held for sale	12	7	-
Other current assets		1	3
Total current assets		1,569	1,186
Non-current assets			
Property, plant and equipment	12	1,007	1,011
Right-of-use assets	10	269	278
Goodwill	13	158	158
Intangible assets	13	647	815
Investments	15	120	90
Derivative financial instruments	19	80	31
Other non-current assets		12	12
Total non-current assets		2,293	2,395
Total assets		3,862	3,581
Current liabilities			
Accounts payable, accruals and other liabilities		1,323	885
Income tax payable	9	66	102
Provisions	17	19	8
Short-term borrowings	18	70	130
Derivative financial instruments	19	8	17
Lease liability	10	20	18
Total current liabilities		1,506	1,160
Non-current liabilities			
Other liabilities		4	5
Provisions	17	96	99
Derivative financial instruments	19	5	4
Deferred tax	9	75	99
Long-term borrowing	18	522	579
Lease liability	10	274	280
Total non-current liabilities		976	1,066
Total liabilities		2,482	2,226
Net assets		1,380	1,355

Approved on behalf of the Board on 28 February 2023

SC Allen

Simon Christopher Allen
Chair

Gregory David Barnes
Director

Statement of cash flows
for the nine months ended 31 December 2022

	Notes	9 months ended 31 December 2022 $m	12 months ended 31 March 2022 $m
Cash flows from operating activities			
Receipts from customers		5,937	4,800
Interest received		22	28
Proceeds from sale of ETS units		49	-
Payments to suppliers and employees		(4,862)	(3,714)
Excise and other taxes paid		(602)	(879)
Interest paid		(77)	(80)
Taxation paid	9	(111)	(20)
Net cash inflow from operating activities		356	135
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	(1)
Lease payments received from leases	10	1	1
Purchase of intangible assets		(15)	(11)
Purchase of investments		(18)	(34)
Purchase of property, plant and equipment		(50)	(63)
Net cash outflow from investing activities		(82)	(108)
Cash flows from financing activities			
Issue of units	5	132	-
Net proceeds from bank facility	18	267	111
Dividends paid to owners of the company	20	(230)	(118)
Distributions paid to Partner	5	(1)	-
Repayment of USPP Loan	18	(377)	-
Repayment of bonds	18	-	(150)
Payment of lease liabilities	10	(14)	(17)
Net cash outflow from financing activities		(223)	(174)
Net increase/(decrease) in cash		51	(147)
Cash balances at beginning of period		15	162
Cash at end of period		66	15

Reconciliation of net profit for the period to cash flows from operating activities

	9 months ended 31 December 2022 $m	12 months ended 31 March 2022 $m
Net profit for the period	108	269
Adjustments to reconcile profit to net cash inflow from operating activities		
Depreciation and amortisation	72	118
Impairment	111	-
Share of loss/(earnings) of associate companies (net of taxation)	(2)	18
Change in ETS units	64	(371)
Change in electricity price hedges	(77)	(17)
Change in related party receivable	(154)	-
Other	(2)	24
Changes in assets and liabilities, net of non-cash, investing and financing activities		
Change in accounts receivable and prepayments	(83)	(214)
Change in inventories	(83)	(59)
Change in accounts payable, accruals and other liabilities	438	280
Change in taxation	(36)	87
Net cash flow from operating activities	356	135

Notes to the financial statements for the period ended 31 December 2022

(1) Basis of accounting

Reporting entity

Z Energy Limited is a profit-oriented company registered in New Zealand under the Companies Act 1993 and an FMC Reporting Entity for the purposes of the Financial Markets Conduct Act 2013. Z Energy Limited has bonds quoted on the NZX debt market.

The financial statements presented are those of Z Energy Limited (the Company, Parent) together with its subsidiaries, interests in associates and jointly controlled operations (Z or "the Group").

Basis of preparation

These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP) and part 7 of the Financial Markets Conduct Act 2013. They comply with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate for profit-oriented entities and with International Financial Reporting Standards (IFRS). Z is a Tier 1 entity under the External Reporting Board (XRB) Accounting Standards Framework.

The measurement basis adopted in the preparation of these financial statements is historical cost, modified by the revaluation of certain assets, investments and financial instruments as identified in the accompanying notes. The functional and reporting currency used to prepare the financial statements is New Zealand dollars, rounded to the nearest million ($m), unless otherwise stated. The financial statements have been prepared on a GST-exclusive basis except billed receivables and payables, which include GST.

Some comparatives have been restated to apply to current period reporting.

The Group was 100% acquired by Ampol Holdings NZ Limited ("Ampol") in May 2022. The Group has changed its financial reporting date from 31 March to 31 December to align with its ultimate parent company, Ampol Limited, a company registered in Australia. Current period shows the performance for the nine months from 1 April 2022 to 31 December 2022, and as at 31 December 2022. The comparative period represents performance for the 12 months from 1 April 2021 to 31 March 2022 and as at 31 March 2022. The periods are not directly comparable.

Basis of consolidation

Consistent accounting policies are employed in preparing and presenting the Group financial statements. Intra-group balances and any unrealised income or expenses arising from intra-group transactions are eliminated in preparing the Group financial statements.

(2) Changes in accounting policies

No changes to accounting policies have been made during the period. Policies have been consistently applied to all periods presented in these Group financial statements.

(3) Critical accounting estimates and judgements

The preparation of financial statements requires management to make the following judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Provisions (note 17)

Liabilities are estimated for decommissioning and restoration (D&R) of certain sites of operation.

Measurement of fair value (notes 12, 15 and 19)

Some of the Group's accounting policies and disclosures require the measurement of fair values.

Goodwill (note 13)

Goodwill is an indefinite-life intangible asset and is tested annually for impairment by estimating the future cash flows that the Group is expected to generate. Estimating future cash flows requires key judgements including expected fuel volume growth or decline, expected future margins, and the discount rate for valuing future cash flows.

Z Property Limited Partnership

On 8 September 2022, Z sold 51 freehold New Zealand retail service station properties to an unlisted property entity – Z Property Limited Partnership ("ZPLP"), an investment property entity. Z Energy owns 51% of ZPLP. A Charter Hall Retail REIT acquired a 49% minority interest for $132m on 21 October 2022. The Directors consider Z controls the principal activities of ZPLP and as a result, it is 100% consolidated in these Group financial statements and the 49% minority interest recognised as non-controlling interest (NCI). Judgement was exercised in determining the 49% contribution from the minority interest represents equity as opposed to debt.

(4) Replacement cost reconciliation

Replacement cost (RC) is a non-GAAP measure used by the downstream fuel industry to report earnings. RC removes the impact of changes in refined product prices on the value of inventory imported and held by Z. Z manages the Group's performance based on RC. The difference between Historical Cost (HC) earnings and RC earnings is a cost of sales adjustment (COSA), foreign exchange, commodity gains and losses and the associated taxation impact.

Income statement on RC basis

	9 months ended 31 December 2022 $m	12 months ended 31 March 2022 $m
Revenue	6,005	5,002
Expenses		
Purchases of crude, product and electricity	4,366	3,104
Excise, carbon and other taxes	1,056	1,270
Operating expenses (net of foreign exchange and commodity gains/losses on fuel purchases)	331	378
Total expenses	5,753	4,752
RC operating EBITDAF*	252	250
Share of (earnings)/loss of associate companies (net of taxation)	(2)	18
RC EBITDAF	254	232
Below RC EBITDAF expenses		
Depreciation and amortisation	72	118
Net financing expense	47	36
Impairment	111	-
Lease depreciation	18	23
Lease interest income	-	(1)
Lease interest expense	11	12
Fair value movements in interest rate and commodity derivatives	(83)	(33)
Loss on sale of property, plant and equipment	1	1
Gain on sale of intangible assets	(15)	-
Increase in decommissioning and restoration provision	1	12
Total below RC EBITDAF expenses	163	168
RC net profit before taxation	91	64
Taxation expense	29	30
RC net profit after taxation	62	34

* Earnings, before interest, taxation, depreciation (including gains and (losses) on sale of fixed assets), amortisation, impairment, fair value movements in interest-rate derivatives and movements in decommissioning and restoration provision (EBITDAF).

Reconciliation from statutory net profit after taxation to RC net profit after taxation

	9 months ended 31 December 2022 $m	12 months ended 31 March 2022 $m
Statutory net profit after taxation	108	269
COSA	(33)	(302)
Net foreign exchange and commodity gains on fuel purchases	(22)	(18)
Taxation expense on COSA	9	85
RC net profit after taxation	62	34

(5) Non-controlling interest

Flick Energy Limited

Z owns 95% (31 March 2022: 74%) of Flick Energy Limited ("Flick") with 5% (31 March 2022: 26%) owned by non-controlling interest (NCI). Z consolidates 100% of Flick's results and presents the portion of profit/(loss) and other comprehensive income attributable to NCI.

In December 2022, Z purchased 15,315,174 shares from Eastland Energy Solutions Limited in Flick Energy Limited, increasing Z's ownership from 74% to 95%.

Z Property Limited Partnership

On 8 September 2022, Z sold 51 freehold New Zealand retail service station properties to an unlisted property entity – Z Property Limited Partnership ("ZPLP"). Z Energy owns 51% (31 March 2022: nil) of ZPLP. A Charter Hall Retail REIT acquired 49% non-controlling interest in this Limited Partnership for $132m on 21 October 2022.

Presented below is the financial information before the elimination of intercompany transactions with exception of the fair value adjustment on investment properties. Z consolidates 100% of ZPLP's results and presents the portion of profit/(loss) and other comprehensive income attributable to NCI. The fair value adjustment on investment properties is eliminated on consolidation as it is not recognised as 'Revenue' in the Group financial statements. It is also not reflected in the 'Net assets attributable to NCI' shown in the Group financial statements.

Non-controlling interest in:	31 December 2022 %	31 March 2022 %
Flick Energy Limited	5	26
Z Property Limited Partnership (ZPLP)	49	-

	Flick 31 December 2022 $m	Flick 31 March 2022 $m	ZPLP 31 December 2022 $m
Assets			
Cash	5	1	-
Other current assets	34	11	-
Intangible assets	2	2	-
Income tax receivable	3	1	-
Other non-current assets	76	20	269
Total assets	120	35	269
Liabilities			
Trade payables	(6)	(12)	-
Deferred tax	-	(8)	-
Provisions	(29)	-	-
Other non-current liabilities	(1)	-	-
Total liabilities	(36)	(20)	-
Net assets	84	15	269
Net assets attributable to NCI	4	4	132

	9 months ended 31 December 2022 $m	12 months ended 31 March 2022 $m	4 months ended 31 December 2022 $m
Revenue	53	54	4
Net Gain/(Loss)	45	14	3
Other comprehensive income	-	-	-
Total comprehensive income	45	14	3
Total comprehensive income attributable to NCI before consolidation	9	4	1
Other losses attributable to NCI on consolidation	-	(1)	-
Total comprehensive income attributable to NCI	9	3	1

(6) Revenue

Revenue from major business activities — fuel and convenience retail

Revenue comprises the fair value of consideration received or receivable for the sale of fuel, convenience retail or other, which contains electricity income, in the ordinary course of the Group's activities. The Group's performance obligations are typically satisfied when the Group has supplied the product to the customer, the customer has accepted the product and the collectability of the related receivable is reasonably assured.

Fuel invoices are raised following delivery and settled in accordance with agreed payment terms. Transaction price is based on agreed contract rates and delivered volumes and is allocated on delivery. Convenience revenue is recognised at the time of sale. Transaction price is based on the ticketed or contract price.

	9 months ended 31 December 2022 $m	12 months ended 31 March 2022 $m
Fuel	5,900	4,869
Convenience retail	54	69
Other	51	64
Total revenue	6,005	5,002

(7) Audit fees

Included in operating expenses are fees paid to the auditors. There were no fees paid to the auditors other than for 'Audit and Audit-related fees' outlined (presented in whole dollars):

	9 months ended 31 December 2022 $	12 months ended 31 March 2022 $
Audit fees		
Audit and review of financial statements	516,599	448,025
Cost of sales adjustment review	-	10,500
Total audit fees	516,599	458,525
Audit-related fees		
Greenhouse Gas Statement reasonable assurance	36,120	30,000
Agreed upon procedures — licence fee return	4,876	4,600
Total audit-related fees	40,996	34,600
Total audit and audit-related fees	557,595	493,125

(8) Net financing expense

	9 months ended 31 December 2022 $m	12 months ended 31 March 2022 $m
Financing income		
Interest income from derivatives	16	26
Interest income from cash	1	1
Other finance income	-	1
Total financing income	17	28
Financing expense		
Interest expense on bonds	6	12
Interest expense on derivatives	17	28
Interest expense on secured bank facilities	2	3
Interest expense on USPP notes	7	16
Interest expense on related party loans	7	-
Financing fees	22	1
Other finance expense	3	6
Total financing expense	64	66
Net financing expense	47	38

(9) Taxation

Taxation expense or benefit is determined as follows:

	9 months ended 31 December 2022 $m	12 months ended 31 March 2022 $m
Net profit before taxation	146	384
Share of (earnings)/loss of associate companies (net of taxation)	(2)	18
Net profit before taxation excluding share of (earnings)/loss from associates	144	402
Taxation expense on profit for the period at the corporate income tax rate of 28% (31 March 2022: 28%)	40	112
Taxation adjustments:		
Non-deductible expenditure	(1)	5
Non-assessable income	(1)	-
Over-provision in prior periods	-	(2)
Taxation expense	38	115

Current taxation	75	123
Deferred taxation	(37)	(8)
Taxation expense	38	115

Deferred tax

Deferred tax assets and liabilities are presented as a net deferred tax asset/(liability) in the Statement of financial position. The movement in deferred tax assets and liabilities is provided below.

	Property, plant and equipment $m	Intangible assets $m	Employee benefits $m	Finance lease $m	Other provisions $m	Derivative financial instruments $m	Other items $m	Total $m
Balance at 1 April 2021	(19)	(84)	-	6	4	-	2	(91)
Recognised in the Statement of comprehensive income	11	8	1	-	(2)	(1)	(6)	11
Over-provision in prior periods in the Statement of comprehensive income	-	1	1	-	-	-	(5)	(3)
Recognised in Other comprehensive income	(16)	-	-	-	-	-	-	(16)
Balance at 31 March 2022	(24)	(75)	2	6	2	(1)	(9)	(99)
Balance at 1 April 2022	**(24)**	**(75)**	**2**	**6**	**2**	**(1)**	**(9)**	**(99)**
Recognised in the Statement of comprehensive income	15	35	6	(1)	1	1	(20)	37
Over-provision in prior periods in the Statement of comprehensive income	-	-	-	-	-	(8)	8	-
Recognised in Other comprehensive income	(13)	-	-	-	-	-	-	(13)
Balance at 31 December 2022	(22)	(40)	8	5	3	(8)	(21)	(75)

	31 December 2022 $m	31 March 2022 $m
Deferred tax expected to be settled within 12 months	-	(31)
Deferred tax expected to be settled after 12 months	(75)	(68)
Deferred tax	(75)	(99)

Imputation credits available for use in subsequent reporting periods are $107m (31 March 2022: $92m). These credits are available for use in subsequent periods provided a 66% shareholder continuity is maintained as defined in the Income Tax Act 2007.

(10) Leases

Leases as a Lessee

Under NZ IFRS 16, Z recognises right-of-use assets and lease liabilities for most property leases.

On inception of a new lease, the lease liability is measured at the present value of the remaining lease payments, discounted using Z's incremental borrowing rate at that date. The right-of-use assets are measured at an amount equal to the lease liability and are depreciated over the estimated remaining lease term on a straight-line basis. Z presents the right-of-use assets and lease liabilities separately on the face of the Statement of financial position.

Z applies the following practical expedients when applying NZ IFRS 16:

- A single discount rate to a portfolio of leases with similar characteristics
- Exemption to not recognise right-of-use assets for low-value leases; and
- Exemption to not recognise right-of-use assets for leases with less than 12 months remaining.

Nature of lease payments as a lessee

Z as the lessee has various non-cancellable leases predominantly for the lease of land and buildings. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the lease are renegotiated.

Information about leases for which Z is a lessee is presented below:

Right-of-use assets	31 December 2022 $m	31 March 2022 $m
Balance at beginning of period	278	280
Depreciation charge for the period	(18)	(23)
Additions to right-of-use assets	7	19
Adjustments to existing right-of-use assets	2	4
Derecognition of right-of-use assets	-	(2)
Balance at end of period	269	278

Right-of-use assets related to leased properties that do not meet the definition of investment property are represented as property, plant and equipment.

Amounts recognised in profit or loss	9 months ended 31 December 2022 $m	12 months ended 31 March 2022 $m
Leases under NZ IFRS 16		
Lease depreciation	18	23
Interest expense on lease liabilities	11	12
Lease expense on short-term leases	1	2

Maturity analysis	9 months ended 31 December 2022 $m	12 months ended 31 March 2022 $m
Leases liabilities as lessee		
Between 0 to 1 year	20	18
Between 1 to 5 years	78	74
More than 5 years	196	206
Lease liabilities as lessee	294	298

Leases as a Lessor

Z acts as a lessor for subleases on sites that Z leases. Z assesses each sublease based on the right-of-use asset and expected useful life of the head lease, and where a sublease is for a significant part of the expected life of the lease, Z derecognises part of the right-of-use asset and records this as sublease receivable. Sublease receivables are measured using the present value of the future sublease income, discounted using Z's incremental borrowing rate at that date. Subleases which are not classified as being for a significant part of the expected life of the lease or of marginal costs are classed as operating leases.

Z has receivables from leases as a lessor relating to the lease of premises as shown below:

Operating lease income as a lessor	9 months ended 31 December 2022 $m	12 months ended 31 March 2022 $m
Income from subleasing right-of-use assets	1	1

Total lease expenses/(income) as lessor and lessee	9 months ended 31 December 2022 $m	12 months ended 31 March 2022 $m
Lease interest income	-	(1)
Lease depreciation	18	23
Lease interest expense	11	12
Net lease expenses	29	34

(11) Inventories

Inventory is stated at the lower of cost or net realisable value (NRV). The cost of inventories is based on the first-in-first-out principle. NRV is the estimated selling price in the ordinary course of business less applicable variable selling expenses. Inventory write-down at 31 December 2022 was $6m (31 March 2022: $6m). The write-down is recorded as purchases of crude, product and electricity in the Statement of comprehensive income.

On 14 March 2022, the New Zealand Government reduced the Fuel Excise Duty (FED) by 25 cents per litre (plus GST) on petrol for an initial three-month period, following extra volatility and surging prices influenced by the war in Ukraine. This FED reduction was immediately passed on to consumers by Z as requested by Government resulting in an exposure of $22.3m for FED already paid (at the higher rate) on inventory stored outside of a Customs Controlled area. Management was confident at 31 March 2022 the pre-paid FED would be recovered given the recency of the reduction and temporary three-month period announced. Since April 2022, the reinstatement date has been deferred four times, now extended until the end of June 2023. Management have assessed the likelihood and risks to the recovery of the prepaid FED. Based on ongoing uncertainty, Management have fully impaired the recoverable amount. A $22.3m write-off has been recorded as Excise, carbon and other taxes in the Statement of comprehensive income.

(12) Property, plant and equipment

Property, plant and equipment (PPE) excluding Construction in progress and Plant and machinery is measured at fair value based on periodic valuations, less accumulated depreciation and any impairment after the date of revaluation.

A revaluation of land and buildings at 51 sites belonging to the ZPLP is undertaken by an independent valuer every year. This valuation was performed at 31 December 2022.

An independent valuation of the remaining land and buildings and terminal plant is undertaken every five years using a level 3 fair value methodology in line with the fair value hierarchy. In the years between independent valuations, the carrying value of land is adjusted annually by a land inflation index provided by an independent valuer based on recent sales where this indicates a material change, as underlying land values are considered the significant determinant of fair value changes for Z. An assessment of other PPE fair values is also performed annually by Z to assess the underlying assumptions for each asset class and determine whether any revaluation is required. Additions to PPE after the most recent valuation are recorded at cost.

Terminal plant, and land and buildings not part of the ZPLP, were independently valued at 31 March 2022, with the next revaluation scheduled for March 2027.

Depreciation is provided on a straight-line basis. The major depreciation periods (in years) are:

Buildings	9–35
Plant and machinery	2–35
Land improvements	14–35
Terminal plant	5–35

(12) Property, plant and equipment (continued)

Cost/valuation	Con-struction in progress $m	Buildings $m	Land and improve-ments $m	Plant and machinery $m	Terminal plant $m	31 December 2022 Total $m	31 March 2022 Total $m
Balance at beginning of period	**64**	**119**	**466**	**423**	**198**	**1,270**	**1,134**
Additions	59	-	-	-	-	**59**	62
Disposals	-	-	-	(5)	-	**(5)**	(10)
Transfers between asset classes	(57)	9	2	28	18	**-**	-
Held for Sale	-	-	-	(15)	-	**(15)**	-
Impairment	-	-	-	-	-	**-**	(1)
Impairment reversal	-	-	-	-	-	**-**	2
Valuation adjustment	-	45	(34)	-	-	**11**	195
Offset accumulated depreciation on revaluation	-	(2)	-	-	-	**(2)**	(112)
Balance at end of period	**66**	**171**	**434**	**431**	**216**	**1,318**	1,270
Accumulated depreciation and impairment							
Balance at beginning of period	**-**	**(12)**	**(9)**	**(238)**	**-**	**(259)**	**(318)**
Depreciation	-	(6)	(4)	(27)	(10)	**(47)**	(62)
Disposals	-	-	-	5	-	**5**	9
Impairment loss	-	(1)	-	(19)	-	**(20)**	-
Reclassification to Held for Sale	-	-	-	8	-	**8**	-
Offset accumulated depreciation on revaluation	-	2	-	-	-	**2**	112
Balance at end of period	**-**	**(17)**	**(13)**	**(271)**	**(10)**	**(311)**	(259)
Carrying amounts							
At 1 April 2022	64	107	457	185	198	**1,011**	
At 31 December 2022	**66**	**154**	**421**	**160**	**206**	**1,007**	

Included in buildings are assets held under finance leases of $7m (31 March 2022: buildings $9m).

For each revalued class, the carrying amount that would have been recognised had the assets been carried on a historical cost basis are: buildings $50m (31 March 2022: $46m); land and improvements $132m (31 March 2022: $132m); terminals $154m (31 March 2022: $146m).

The following table shows the valuation technique used in measuring the fair value of PPE, as well as the significant unobservable inputs used.

Asset class	Valuation techniques during full revaluation	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement	Valuation adjustments between full revaluation
Land and buildings	Direct capitalisation approach based on a sustainable market rental is capitalised at an appropriate rate of return or yield derived from comparable asset sales. Market rent is based on contracted rental amounts with reference to market observations of rent as a percentage of earnings (EBITDA). The value ascribed to the land is allocated using a value estimated based on recent comparable land sales with the residual value being allocated to buildings.	Market rental as a percentage of site EBITDA (average 23%). Capitalisation rate 4%–7%	The estimated fair value would increase (decrease) if: • market rentals were higher (lower) • capitalisation rates were lower (higher).	Land and land improvements are adjusted based on a land inflation index marker where this indicates a material change.
Terminal plant	Depreciated replacement cost approach is based on the gross current replacement cost, reduced by factors providing for age, physical depreciation, and technical and functional obsolescence considering an asset's total estimated useful life and anticipated residual value (if any).	Cost estimates sourced from contracting machinery suppliers and cost analysis of recent projects.	The estimated fair value would increase (decrease) if: • cost was higher (lower) • remaining useful life was higher (lower) • technical and functional obsolescence was lower (higher).	

Impairment

During the period, Z confirmed the permanent closure of the Biofuels plant, Te Kora Hou, and exit of production of biodiesel at the site. An impairment of $20m was recognised in the Statement of comprehensive income.

Assets held for sale

During the period, Z has committed to a plan to sell plant and machinery with a carrying value of $7m. These assets have been transferred to Held for sale and the sales are expected to settle during 2023.

(13) Intangible assets

	Software in progress $m	Goodwill $m	Brands $m	Chevron contracts acquired $m	Emissions units $m	Other $m	31 December 2022 Total $m	31 March 2022 Total $m
Balance at beginning of period	2	158	1	227	563	22	**973**	647
Additions	10	-	-	-	294	1	**305**	383
Transfers between asset classes	(8)	-	-	-	-	8	**-**	-
Utilised	-	-	-	-	(324)	-	**(324)**	-
Sale of units	-	-	-	-	(34)	-	**(34)**	-
Impairment	-	-	-	(88)	-	(2)	**(90)**	(1)
Amortisation	-	-	(1)	(13)	-	(11)	**(25)**	(56)
Balance at end of period	**4**	**158**	**-**	**126**	**499**	**18**	**805**	973
Cost	4	193	37	445	499	199	**1,377**	1,430
Accumulated impairment	-	(35)	-	(150)	-	(2)	**(187)**	(97)
Accumulated amortisation	-	-	(37)	(169)	-	(179)	**(385)**	(360)
Balance at end of period	**4**	**158**	**-**	**126**	**499**	**18**	**805**	973

Goodwill

Goodwill is the excess of purchase consideration over net identifiable assets acquired. Goodwill is not amortised, but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, by estimating future cash flow considering expected fuel volumes, margin and discount rates.

Chevron acquisition goodwill

On 1 June 2016, Z acquired 100% of the share capital of Chevron New Zealand (Chevron), (renamed Z Energy 2015 Limited), an importer, distributor and seller of transport fuel and related products. The acquisition has strengthened the Group's fuel network within New Zealand. Z recognised $158m of goodwill as part of the purchase price allocation. As at 31 December 2022, an annual impairment test of the goodwill was undertaken.

The recoverable amount of the cash generating unit (CGU) containing the goodwill has been calculated based on the present value of future cash flows expected to be derived from the CGU (value in use). This was calculated using a Z Board approved forecast to 2027. Significant assumptions within the discounted cash flows include:

- Post-tax discount rate of 9.3% (nominal terms), which is the current weighted average cost of capital (WACC) estimated by Z
- Terminal value growth rate of -3.5%
- Future sales volumes which have been estimated based on Z's House View of future fuel demand (https://www.nzx.com/announcements/376860), informed by extensive reference to external industry commentators and emissions forecasts, and in particular the Climate Change Commission's recommendations on a path to meet New Zealand's international climate change commitments.

The forecast market demand profile has the most significant impact on value, shown in the sensitivity table presented below.

Change in key assumptions	Reduction in valuation $m	Increase in valuation $m	Would the indicated sensitivity result in impairment?
Discount rate [+/-1%]	(225)	264	No
Retail margins [-/+ 1cpl]	(143)	143	No
Terminal growth rate [-/+ 1%]	(146)	171	No

Z will continue to monitor market conditions on an ongoing basis and make necessary judgement on the need for impairment of the goodwill.

Brands

Brands were acquired as part of the Chevron acquisition and are amortised over six years on a straight-line basis. At 31 December 2022 the asset was fully amortised.

Chevron contracts acquired

On 1 June 2016, Z acquired the Caltex NZ business from Chevron. Included in this purchase was an allocation for the intangible assets relating to contracts with Caltex retail customers and Channel Infrastructure NZ Limited. These were valued at the net present value of future cash flows and amortised over a range of 1 to 29 years on a straight-line basis.

Under NZ IAS 36 Impairment of Assets, contracts acquired are finite life intangible assets that have a measurable life which can be amortised over a measurable period. Accounting standards require this type of asset to be tested for impairment when there is an indicator of possible impairment, a triggering event, for example a decline in performance. If this indicator is present, an entity is required to make a formal estimate of recoverable amount.

Following the acquisition of Z Energy by Ampol on 10 May 2022, the Board has updated forecast assumptions used when performing indicator of impairment assessments for the Chevron contracts acquired, resulting in identification of impairment indicators. Subsequently, impairment testing was conducted utilising revised assumptions reflecting Ampol and management's view of expected future market conditions including:

- 18-year discounted cash flow forecast, including key assumptions:
  - margin; and
  - customer attrition
- discount rate reflecting WAC.

Using the revised assumptions, the recoverable amount as at 10 May 2022 was determined to be $126m, which was lower than the carrying amount of $214m, therefore an $88m impairment has been recorded in the Statement of comprehensive income.

Emissions units

Units acquired are carried at cost less any accumulated impairment.

Stock of units	31 December 2022 Units millions	31 March 2022 Units millions
Balance at beginning of period	**12**	6
Units acquired and receivable	**4**	6
Units sold	**(1)**	-
Units surrendered	**(7)**	-
Balance at end of period	**8**	12

Other intangibles

Other intangibles include software, franchise rights, domain name and contacts acquired. Acquired computer software is capitalised based on the costs incurred to acquire and bring to use the specific software where Z has control over these related assets. These costs are amortised over three years on a straight-line basis. Contacts acquired are amortised over the useful life of the asset which is up to 12 to 17 years. Intangible assets with indefinite lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

(14) Emissions trading scheme

The Group is required to deliver emission units to a Government agency to be able to sell products that emit pollutants. A provision for this obligation is recognised in the Statement of financial position.

Obligation	31 December 2022 Units millions	31 March 2022 Units millions
Obligation payable	**7**	9

The Emissions Trading Scheme obligation of $414m (31 March 2022: $391m) is included within accounts payable, accruals and other liabilities and is valued at the weighted average cost of units, where units have been acquired to settle the Group's obligation. Any shortfall in units needed to settle the obligation is measured at fair value. Refer to Note 13 for the Emissions units held.

(15) Investments

The Group's investment in Channel Infrastructure NZ Limited (previously Refining NZ) is recognised at the NZX-listed share price at 31 December 2022 of $1.43 (31 March 2022: $1.04) giving rise to a $19m increase in the fair value for the financial period, which is accounted for in other comprehensive income. Z's interest in Channel Infrastructure NZ Limited is 13% (31 March 2022: 13%).

	31 December 2022 $m	31 March 2022 $m
Investment in Channel Infrastructure NZ (fair value hierarchy level 1)	**69**	50
Investment in associates	**51**	40
Total investments	**120**	90

The Group wholly owns or has a partial interest in the below associates and subsidiaries:

Associates and subsidiaries		31 December 2022 % Holding	31 March 2022 % Holding
Z Energy 2015 Limited (formerly Chevron New Zealand)	Subsidiary	**100%**	100%
Z Energy ESPP Trustee Limited	Subsidiary	**100%**	100%
Z Energy LTI Trustee Limited	Subsidiary	**100%**	100%
Z Partner Limited	Subsidiary	**100%**	0%
Z Property Manager Limited	Subsidiary	**100%**	0%
Flick Energy Limited	Subsidiary	**95%**	74%
Z General Partner Limited	Subsidiary	**51%**	0%
Z Property Limited Partnership	Subsidiary	**51%**	0%
Coastal Oil Logistics Limited (COLL) (in liquidation)	Associate	**50%**	50%
Wiri Oil Services Limited (WOSL)	Associate	**44%**	44%
Drylandcarbon One Limited Partnership	Associate	**37%**	37%
Mevo Limited	Associate	**32%**	32%
Loyalty NZ Limited	Associate	**25%**	25%
Forest Partners Limited Partnership	Associate	**21%**	0%
Red Phase Technologies Limited	Associate	**6%**	0%

(16) Investment in joint operations

The Group has participating interests in four unincorporated jointly controlled operations relating to the storage and distribution of petroleum products. The revenues and expenses are allocated in the financial statements on a performance/usage basis rather than the ownership share of the joint arrangement.

The Group has rights to the assets and obligations for the liabilities relating to the jointly controlled operations. At 31 December 2022, there were no contingent liabilities for the jointly controlled operations (31 March 2022: nil). The value of assets in these interests is $12m (31 March 2022: $13m).

	Principal activity	31 December 2022 % Holding	31 March 2022 % Holding
Joint Interplane Fuelling Services	Fuel distribution	**50%**	50%
Jointly Owned Storage Facility	Fuel storage	**50%**	50%
Wiri to Auckland Airport Pipeline	Fuel distribution	**40%**	40%
Joint User Hydrant Installation	Fuel storage	**33%**	33%

(17) Provisions

Decommissioning and restoration (D&R) provision is recognised at the estimated future cost, discounted back to reporting date.

The inflation and discount rates applied to the different assets are the CPI and New Zealand Government Bond rates respectively as per New Zealand Treasury. The terms and rates applied are as follows.

	Term (years)	CPI rates (%)	NZ Govt Bond rates (%)
Homebase	30	2.15	3.05
Truckstop	10 – 12	2.2 - 2.22	2.45 - 2.53
Aviation	14	2.19	2.61
Terminals	30	2.15	3.05
Retail	10 – 30	2.15 - 2.22	2.45 - 3.05
BioDiesel	9	2.15	3.05
Caltex Retailer-operated	10	2.2	2.4

The CPI and New Zealand Government bond rates are revised annually at the beginning of the new financial year.

D&R costs expected to be settled within one year are classified as current liabilities. D&R costs expected to be settled between 1 and 30 years are classified as non-current liabilities.

Z engages a third party to provide an estimate of the D&R obligations for Z. Estimates are reviewed every three years, with the next review due in October 2024. The current D&R obligations are between $50k–$60k per tank for above-ground tanks and $80k–$95k per tank for below-ground tanks.

Estimated remediation costs of sites are recognised on an accrual basis at the time there is a formal plan or obligation, legal or constructive, in place. The remediation costs are expected to be settled between 1 and 30 years, depending on the location.

For the period ended 31 December 2022	Decommissioning, restoration and remediation $m	Other $m	Total $m
Balance at beginning of period	107	-	107
Created	3	8	11
Utilised	(2)	(1)	(3)
Balance at end of period	**108**	**7**	**115**
Current	12	7	19
Non-current	96	-	96
Balance at end of period	**108**	**7**	**115**

(18) Borrowings

Financing arrangements

The Group's debt during the period ended 31 December 2022 included bank facilities, bonds and US Private Placement (USPP) notes secured against certain assets of the Group. The facilities require Z to maintain securities and operate within defined performance and gearing ratios. The arrangements also include restrictions over the sale or disposal of certain assets without lender agreement. The Group has complied with all debt covenant requirements imposed by lenders during this period.

Bank facilities and bonds are recorded initially at fair value, net of transaction costs. After initial recognition, bank facilities and bonds are measured at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in the Statement of comprehensive income over the period of the borrowing. USPP notes are recorded initially at fair value, net of transaction costs, and are revalued monthly.

Bank facilities', bonds' and USPP notes' issue expenses, fees and other costs incurred in arranging finance are capitalised and amortised over the term of the relevant debt instrument or debt facility, using the effective interest method.

US Private Placement (USPP)

On 10 May 2022, the Group became a wholly owned subsidiary of Ampol Limited. As a result of this transaction, pursuant to the USPP borrowing agreement between the Group and the noteholders, the Group was required to offer to prepay 100% of the aggregate principal amount of each holder's notes issued of USD270m ($378m) due to the change of ownership. The notes were issued with original maturities of 2026, 2028 and 2030.

On 16 August 2022, the Group prepaid USD208m ($291m) of the notes on issue upon acceptance from noteholders.

The Group decided to prepay the remaining notes to assist simplification of its outstanding debt platform. On 13 September 2022, the Group prepaid the remaining USD62m ($86m) of the notes with a make-whole component as governed by the USPP borrowing agreement.

The prepayment was refinanced by a loan from the Ampol Group company, Ampol Australia Petroleum Pty Ltd, of $397m which is classified as a related party borrowing.

Banking facilities

Interest rates are determined by reference to prevailing money market rates at the time of draw-down, plus a margin. Interest rates paid during the period ranged from 2.5% to 6.0% (31 March 2022: 1.5% to 2.7%).

	31 December 2022 $m	31 March 2022 $m
Secured bank facilities available	350	530
Balance at end of period (facilities drawn down)	-	130
Current	-	130
Non-current	-	-
Balance at end of period	-	130

The facilities comprise a $350m working capital facility drawn to $0m, maturing in September 2024. A $180m revolving-term debt facility was terminated in June 2022.

Bonds

	31 December 2022 $m	31 March 2022 $m
Balance at beginning of period	194	344
Bonds repaid	-	(150)
Amortisation	1	-
Balance at end of period carrying value	195	194
Current	70	-
Non-current	125	194
Balance at end of period carrying value	195	194
Fair value of bonds	190	196

Related party borrowings

	31 December 2022 $m	31 March 2022 $m
Balance at beginning of period	-	-
Proceeds from related party	397	-
Balance at end of period carrying value	397	-
Current	-	-
Non-current	397	-
Balance at end of period carrying value	397	-

USPP notes

	31 December 2022 $m	31 March 2022 $m
Balance at beginning of period	385	407
USPP notes prepaid	(378)	-
Amortisation	1	-
Movement in fair value hedge	-	(25)
Movement in foreign-exchange revaluation	-	3
Unwind of fair value hedge	3	-
Unwind of foreign-exchange revaluation	(11)	-
Balance at end of period carrying value	-	385
Current	-	-
Non-current	-	385
Balance at end of period carrying value	-	385
Fair value of USPP notes	-	425

(19) Financial risk management

The Group has a Treasury Management Committee to review and set treasury strategy within policy guidelines and report on market risk positions and exposures. The Group has developed a comprehensive, enterprise-wide risk management framework that guides management and the Board in identifying, assessing and monitoring new and existing risks. Management reports to the Board on the relevant risks and the controls and treatments for those risks.

Summary of the Group's exposure to financial risk and the management of those:

Financial risk	Exposure	Product	Management of risk
Market risk			
Foreign exchange risk	Movement in foreign exchange rates	Forward exchange contract	Reduce price fluctuations risk of foreign currency commitments, mainly associated with purchasing hydrocarbons.
Sensitivity to FX	Foreign-currency: At 31 December 2022, if the New Zealand dollar had strengthened/weakened by 10% against the currencies with which the Group has foreign-currency risk (with all other variables held constant), after-tax profit would change by $36m higher/$44m lower (31 March 2022: $389k higher/$1m lower) and the change in other comprehensive income for the period would be nil (31 March 2022: $3m higher/$4m lower).		
Interest rate risk	Movement in interest rates	Interest rate swaps (IRS)	Minimise the cost of debt (interest) and manage the volatility to the Group's earnings.
Sensitivity to interest rate	At 31 December 2022, if bank interest rates at that date had been 100 basis points higher/lower (with all other variables held constant), after-tax profit would change by $2m higher/$2m lower (31 March 2022: by $4m higher/$4m lower) and the change in other comprehensive income for the period would be nil (31 March 2022: $22k higher/$3m lower).		
Commodity price and timing risk	Changes in crude and product prices	Commodity swaps	Match commodity purchase and sales.
Sensitivity to electricity prices	At 31 December 2022, if forward electricity prices at that date had been $25/MWH higher/lower (with all other variables held constant), after-tax profit would change by $42m higher/$42m lower (31 March 2022: $3m higher/$3m lower) and the change in other comprehensive income for the period would be $1m higher/$1m lower (31 March 2022: $1m higher/$1m lower).		
Liquidity risk			
	Risk that the Group will not be able to meet its financial obligations as they fall due		Active management of cash flow, access to committed funds and lines of credit and the maturity profile of its financial obligations.
Credit risk			
	Risk of loss to the Group due to customer or counterparty default		Limited exposure due to credit checks carried out on new customers, credit terms and standard payment terms. Less than 6% of the Group's receivables are overdue at 31 December 2022 (31 March 2022: 4%).
	Risk of derivative counterparties and cash deposits being lost		During the period, bank facilities are maintained with A or above rated financial institutions, with a syndicate of 5 bank counterparties to ensure diversification. Going forward, the risk will be managed in conjunction with Ampol Group and comply with Ampol Group Treasury policy.

All products are level 2 and accounted for as fair value through the Statement of comprehensive income with the exception of the electricity price hedges which are classified using fair value hierarchy levels 1, 2 and 3.

The fair value of the IRS excludes accrued interest. All other derivatives do not contain interest components.

Recognition and measurement of derivatives

Derivative financial instruments are recognised initially at fair value at the date they are entered into (trade date). After initial recognition, derivative financial instruments are stated at fair value at each Statement of financial position date. The resulting gain or loss is recognised in the Statement of comprehensive income immediately, unless the instruments are designated in an effective hedge accounting relationship.

Liquidity risk

The following tables analyse the Group's financial liabilities into relevant maturity groupings based on the earliest possible contractual maturity date at period end. The amounts in the tables are contractual undiscounted cash flows, which include interest through to maturity.

At 31 December 2022	6 months or less $m	6 to 12 months $m	1 to 2 years $m	2 to 5 years $m	5+ years $m	Contractual cash flows $m	Statement of financial position $m
Non-derivative financial liabilities							
Accounts payable	741	-	-	-	-	**741**	**741**
Lease liabilities	18	18	35	94	270	**435**	**294**
Related party borrowings	12	13	25	462	-	**512**	**397**
Bonds	4	74	129	-	-	**207**	**195**
Non-derivative financial liabilities	**775**	**105**	**189**	**556**	**270**	**1,895**	**1,627**
Derivative financial instruments							
IRS	1	1	-	-	-	**2**	**2**
Commodity hedges	(10)	(17)	(28)	(40)	(6)	**(101)**	**(101)**
Derivative financial instruments	**(9)**	**(16)**	**(28)**	**(40)**	**(6)**	**(99)**	**(99)**

At 31 March 2022	6 months or less $m	6 to 12 months $m	1 to 2 years $m	2 to 5 years $m	5+ years $m	Contractual cash flows $m	Statement of financial position $m
Non-derivative financial liabilities							
Working capital loan	130	-	-	-	-	130	130
Accounts payable	322	-	-	-	-	322	322
Lease liabilities	17	17	34	93	289	450	298
Bonds	4	4	77	127	-	212	194
USPP notes	8	8	16	172	281	485	385
Non-derivative financial liabilities	481	29	127	392	570	1,599	1,329
Derivative financial instruments							
IRS	3	1	3	1	-	8	7
Commodity hedges	(16)	(2)	(9)	(11)	-	(38)	(38)
CCIRS	-	3	7	12	(3)	19	(5)
Basis swap	(1)	-	(1)	(1)	(1)	(4)	-
Derivative financial instruments	(14)	2	-	1	(4)	(15)	(36)

Discussions on refinancing bank-debt facilities will normally begin at least six months before maturity with facility terms agreed at least three months before maturity. Discussions going forward will be done in conjunction with Ampol Group and comply with Ampol Group Treasury policy.

(19) Financial risk management (continued)

Interest rate risk analysis

At 31 December 2022	Less than 1 year $m	1 to 2 years $m	2 to 5 years $m	5+ years $m	Total notional $m
Interest-rate exposure borrowing	70	125	397	-	592
Interest-rate swaps	(55)	(20)	75	-	-
Net interest-rate exposure	**15**	**105**	**472**	**-**	**592**

At 31 March 2022	Less than 1 year $m	1 to 2 years $m	2 to 5 years $m	5+ years $m	Total notional $m
Interest-rate exposure borrowing	-	70	251	252	573
Cross-currency swaps	378	-	(126)	(252)	-
Interest-rate swaps	(55)	-	55	-	-
Net interest-rate exposure	323	70	180	-	573

Offsetting of financial instruments

Z enters into derivative transactions under International Swaps Derivatives Association (ISDA) master agreements. The ISDA agreements do not meet the criteria for offsetting in the Statement of financial position for accounting purposes. This is because Z does not have any current legally enforceable right to offset recognised amounts. Under the ISDA agreements, the right to offset is enforceable only on the occurrence of future events such as a default on the bank loans or other credit events. The potential net impact of this offsetting is disclosed in: 'Amount after applying rights of offset under ISDA agreements'. Z does not hold and is not required to post collateral against its derivative positions.

	Derivative position 31 December 2022 $m	Amount after applying rights of offset under ISDA agreements 31 December 2022 $m	Derivative position 31 March 2022 $m	Amount after applying rights of offset under ISDA agreements 31 March 2022 $m
Derivative assets	113	106	57	38
Derivative liabilities	(13)	(6)	(21)	(2)
Derivative financial assets/(liabilities)	**100**	**100**	36	36

Hedge accounting

The nature and the effectiveness of the hedge accounting relationship will derive where the gains and losses on re-measurement are recognised. During the period, Z prepaid the USPP borrowing agreement and simultaneously closed out the associated cross currency interest rate swaps (CCIRS) and the Bills Libor (Basis Swap).

Since the underlying fair value and cash flow hedges were no longer expected to occur, hedge accounting was discontinued. $2m and $1m of realised losses were reclassified to Fair value movements in interest rate derivatives, in the Statement of comprehensive Income, from the cash flow hedge reserve and the cost of hedging reserve, respectively. These were offset by a $2m gain on the fair value component of the hedge, resulting in a net loss of $1m. The make-whole cost to prepay the USPP notes was $1m and the break fees of the CCIRS were $19m, classified as net financing expenses, totalling a net loss of $21m to completely prepay the USPP arrangement.

Electricity price hedges

To mitigate profit and loss volatility, some electricity derivatives are designated into cash flow hedge relationships. Z determines the existence of an economic relationship between the hedging instrument and the hedged item based on the amount and timing of their respective cash flows, reference nodes, maturities and volumes. Z assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting the changes in cash flows of the hedged item.

In these hedge relationships, the main source of ineffectiveness is where the volume of electricity sold at fixed price is lower than the volume of the derivative contracts for more than 10% of all half-hour intervals over the life of the hedge. Other sources of ineffectiveness include location factor differences (location of hedging and consumption nodes) and credit risk.

The assessment of any hedge as ineffective has no impact on cash flow or tax payable as the amount in profit and loss will reverse over time if the electricity derivative is held to settlement. There will only be realised gain at time of settlement which is offset against spot price electricity purchases in the Statement of financial performance.

Electricity price hedge ineffectiveness for the period ended 31 December 2022 was $179k (31 March 2022: $2m).

The effect of Z's hedge accounting policies in managing its electricity price risk related to the underlying hedging instrument is presented in the tables below. The details of the hedging instruments and items at 31 December 2022 are recognised in the Statement of financial position within derivative financial instruments as follows:

At 31 December 2022	Nominal amount (hedging instrument)	Carrying amount (hedged item) $m	Accumulated fair value hedge adjustment to carrying amount (hedge item) $m	Carrying value of derivatives (hedging instrument) $m	Life to date change in value used for calculating hedge ineffectiveness $m	Accumulated cost of hedging reserve $m
Commodity hedge						
Commodity price risk and timing risk						
Outstanding notional volumes	48,120 MWh	-	-	3	3	-
Total		**-**	**-**	**3**	**3**	**-**

The hedging instrument is recognised in Derivative financial instruments.

At 31 March 2022	Nominal amount (hedging instrument)	Carrying amount (hedged item) $m	Accumulated fair value hedge adjustment to carrying amount (hedge item) $m	Carrying value of derivatives (hedging instrument) $m	Life to date change in value used for calculating hedge ineffectiveness $m	Accumulated cost of hedging reserve $m
Cash flow hedge and fair value hedge						
Interest-rate risk and foreign-currency risk						
8 years, rate 3.83%	$90m USD	(128)	2	1	2	-
10 years, rate 4.04%	$90m USD	(128)	1	2	2	(1)
12 years, rate 4.14%	$90m USD	(129)	-	2	3	(1)
Commodity hedge						
Commodity price risk and timing risk						
Outstanding notional volumes	136,992 MWh	-	-	5	5	-
Total		**(385)**	**3**	**10**	**12**	**(2)**

(20) Share capital and distributions

Ordinary shares (fully paid)	31 December 2022 $m	31 March 2022 $m
Total authorised and issued capital at beginning of period	767	767
Movements in issued and fully paid ordinary shares	(1)	-
Total authorised and issued capital at end of period	766	767

Issued capital	31 December 2022 Shares millions	31 March 2022 Shares millions
Total issued capital at end of period	519	520

The par value of one share is $1.

During the period, Z cancelled 988,321 shares (31 March 2022: 199,125 shares).

Z holds Treasury stock of nil shares at a cost of $nil (31 March 2022: 475,320, $1.4m) and nil shares at a cost of $nil for Z's Performance Rights Long-Term Incentive Plan (PRLTIP) (31 March 2022: 1,493,006 shares, $8m).

Dividends	$m	cents per share
31 March 2021 Final dividend (paid June 2021)	73	14.0
31 March 2022 Interim dividend (paid December 2021)	36	7.0
31 December 2022 Interim dividend (paid November 2022)	230	44.3

(21) Share-based payments

Z Energy Limited — Performance Rights Long-Term Incentive Plan (PRLTIP)

On 24 September 2021, the previous Board approved a change in the rules of the PRLTIP scheme to cater for a change of control of Z Energy allowing for an acceleration of the vesting to participants should the then-proposed acquisition of Z by Ampol occur. The 'in-play' tranches would vest at 100% of on-target, proportionate to their relative years of maturity.

Following the approval of the Scheme of Arrangement for the acquisition of 100% of Z Energy by Ampol, the 'in-play' tranches of the PRLTIP were vested to participants on 27 April 2022 in line with the modified vesting dates approved by the Board in the event the Ampol acquisition successfully completed. 980,005 shares were transferred from treasury stock to eligible participants, and 988,321 treasury shares were cancelled. These transactions reduced the Z treasury stock to nil.

The Board approved a cash-based share scheme for the performance period commencing 1 April 2022, where the participants received a cash payment on vesting. Vesting condition is based on the change of control condition, that participants must stay employed by Z on the Scheme implementation (SIA) completion date (10 May 2022) and be at 'meets or above' individual performance assessment. Participants were paid 33% of the total scheme benefit which was based on maximum entitled performance rights at share price on completion date. Participants were paid on 10 May 2022.

The PRLTIP ceased on 10 May 2022 following the acquisition of Z by Ampol and Z Energy Limited ordinary shares being delisted from the NZX Main Board.

Plan share balances

Grant date	Vesting date	Exercise price	Balance at the start of period Number of shares	Granted during period Number of shares	Exercised during period Number of shares	Forfeited during period Number of shares	Balance at the end of period Number of shares	Vested and exercisable at end of period Number of shares
31 December 2022								
11 April 2019	31 March 2022	$6.25	473,379	-	-	(473,379)	-	-
8 June 2020	31 March 2023	$2.97	1,116,708	-	(555,382)	(561,326)	-	-
10 June 2021	31 March 2024	$1.11	1,273,853	-	(424,623)	(849,230)	-	-
			2,863,940	-	(980,005)	(1,883,935)	-	-
Weighted average exercise price					$2.16	$2.96	-	
31 March 2022								
11 April 2019	31 March 2022	$6.25	530,297	-	-	(56,918)	473,379	-
8 June 2020	31 March 2023	$2.97	1,331,094	11,965	-	(226,351)	1,116,708	-
10 June 2021	31 March 2024	$1.11	-	1,446,745	-	(172,892)	1,273,853	-
			1,861,391	1,458,710	-	(456,161)	2,863,940	-
Weighted average exercise price					$0.00	$2.67	$2.68	

The expense relating to the PRLTIP in the nine months ended 31 December 2022 was $2m (31 March 2022: $3m).

Employee benefits payable, excluding share-based payments are $29m (31 March 2022: $20m).

(22) Related parties

Parent and ultimate controlling party

During the period, Ampol Holdings NZ Limited acquired 100% of Z Energy Limited. As a result, the new ultimate controlling party is Ampol Limited, a company registered in Australia.

Key Management Personnel

Certain Z Directors have relevant interests in several companies with which Z has transactions in the normal course of business. Some Z Directors are also non-executive directors of other companies. Any transactions undertaken with these entities have been entered into as part of ordinary business.

Key management personnel have been defined as the Directors, the CEO and the Z Leadership team for the Group.

Included in operating expenses are directors' fees of $141k (31 March 2022: $1m).

Transactions with related parties received/(paid)	9 months ended 31 December 2022 $m	12 months ended 31 March 2022 $m
Key management personnel		
- Short-term employee benefits	(11)	(14)
Other related party transactions		
Associates		
Sale of goods and services, and on-charging		
- Channel Infrastructure NZ	1	1
- Coastal Oil Logistics Ltd (In Liquidation) – distribution	4	-
- Loyalty New Zealand Ltd	1	-
Processing fees, customs and excise duties, and terminal services		
- Channel Infrastructure NZ and subsidiaries	(87)	(578)
Purchase of goods and services		
- Coastal Oil Logistics Ltd (In Liquidation) – distribution	(9)	(41)
- Wiri Oil Services Ltd	(8)	(7)
- Loyalty New Zealand Ltd	(5)	(5)
Reimbursement of cost		
- Coastal Oil Logistics Ltd (In Liquidation)	-	6
Ampol Limited Group of Companies		
- Sale of goods and services	60	-
- Purchase of goods and services	(21)	-
- Operating expenses	(3)	-
- Dividends paid	(230)	-

Balances at the end of period

	31 December 2022 $m	31 March 2022 $m
Associates		
- Channel Infrastructure NZ – payable 31 December 2022 – for Terminal Services (31 March 2022 – for processing fees, Customs and excise duties)	4	27
Ampol Limited Group of Companies		
- Trade receivables	19	-
- Advance to Parent Company	154	-
- Trade payables	(22)	-
- Interest payable	(5)	-
- Commodity hedge payable	(3)	-

Also refer to notes 8, 15, 18, 19 and 20 for other related party transactions.

(23) Commitments

Commitments relate to property, plant and equipment of $17m (31 March 2022: $20m), Drylandcarbon One Limited Partnership of $nil (31 March 2022: $4m) and Forest Partners Limited Partnership of $46m (31 March 2022: $nil).

(24) Contingent assets and liabilities

Flick guarantees contingent liability

Z currently guarantees a total potential exposure relating to Flick Energy Ltd of up to $34m as per the table below.

Counterparty	31 December 2022 $m	31 March 2022 $m
Westpac	9	9
Mercury	10	10
Genesis	3	3
NZ Wind Farms	1	1
Eastland	10	-
Mercuria	1	-
Total exposure	34	23

The Group has no other guarantees (31 March 2022: nil).

(25) Events after balance date

There are no events after balance date as at 31 December 2022.

Pūrongo kaitātari | Auditor's report

KPMG

Independent Auditor's Report

To the shareholder of Z Energy Limited

Report on the audit of the consolidated financial statements

Opinion

In our opinion, the consolidated financial statements of Z Energy Limited (the 'company') and its subsidiaries (the 'group') on pages 86 to 113 present fairly, in all material respects:

i. the Group's financial position as at 31 December 2022 and its financial performance and cash flows for the 9-month period ended on that date in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards issued by the New Zealand Accounting Standards Board.

We have audited the accompanying consolidated financial statements which comprise:

— the consolidated statement of financial position as at 31 December 2022;

— the consolidated statements of comprehensive income, changes in equity and cash flows for the 9-month period then ended; and

— notes, including a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

Our firm has also provided other services to the group in relation to greenhouse gas assurance and royalty return agreed upon procedures. Subject to certain restrictions, partners and employees of our firm may also deal with the group on normal terms within the ordinary course of trading activities of the business of the group. These matters have not impaired our independence as auditor of the group. The firm has no other relationship with, or interest in, the group.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements

KPMG

as a whole was set at $15.7 million determined with reference to a benchmark of group total revenue. We chose the benchmark because, in our view, this is a key measure of the group's performance.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholder as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Valuation of property, plant and equipment As disclosed in Note 12 of the consolidated financial statements, the group has property, plant and equipment of $1,007 million, with land and buildings and terminal plant making up the majority of this balance. The group has a policy of recording property, plant and equipment at fair value, with valuations undertaken at least every 5 years, with a material change assessment carried out in intervening years.	
Land and buildings and terminal plant ($781 million) Valuation of land and buildings and terminal plant is a key audit matter due to the significance of the assets to the group's consolidated statement of financial position, and due to the judgement involved in the assessment of the fair value of these assets by the group's Directors. The judgment relates to the valuation methodology used and the assumptions used in each of those methodologies. A full independent revaluation of land and buildings and terminal plant assets was most recently carried out as at 31 March 2022. An independent revaluation of land and buildings related to the group's retail sites (51 individual sites) was carried out as at 31 December 2022. A material change assessment was performed over the remaining land and buildings and terminal plant assets which determined no material difference existed between carrying value and fair value as at 31 December 2022.	Our audit procedures to assess the land and buildings valuation and the land and buildings and terminal plant material change assessments included, amongst others: — Reviewing and challenging assumptions underpinning management's material change assessment; — Assessing the competence, independence and objectivity of the independent valuer used by the group when revaluing the 51 retail sites; and — Assessing the key valuation assumptions which are judgemental in nature and which have the largest impact on the retail site values. This comprised: — assessing the appropriateness of valuation methodologies applied to value the retail sites; — discussing with the independent valuer the process of determining the applicable capitalisation rate and checking this against actual valuation outcomes; — understanding the critical assumptions made by the valuer and concluding on their reasonableness; and — agreeing key lease terms to contract. — performing a comparison of fixed asset register information against valued sites to check all sites have been included in the period end revaluation or material change exercise.

The key audit matter / How the matter was addressed in our audit

Assessment of indicators of impairment and recoverable amounts of contracts acquired recognised on acquisition of Chevron New Zealand

As disclosed in Note 13 of the consolidated financial statements, the group has $126 million of contracts acquired relating to the acquisition of Chevron New Zealand in 2016. The group performs annual indicators of impairment assessments, and if indicators of impairment are identified, the assets are tested for impairment.

The key audit matter	How the matter was addressed in our audit
Chevron contracts acquired ($126 million) The consideration of whether indicators of impairment exist, and of the recoverable amount of the group's 'Chevron Contracts Acquired', is a key audit matter due to the complexity of auditing the judgements used by the group to determine the recoverable amount of these assets. The group's impairment test identified an impairment of $88 million was required to reduce the 'Chevron Contracts Acquired' to their recoverable amount. Judgement was exercised in determining the recoverable amount of the 'Chevron Contracts Acquired'.	Our audit procedures over the indicator of impairment assessment for the group's 'Chevron Contracts Acquired' included: — Reviewing and challenging management's key assumptions and cross-checking this against other internal and external information. Our audit procedures to assess management's determination of recoverable amount of 'Chevron Contracts Acquired' included, amongst others: — Assessing the key assumptions in the group's external valuation expert report prepared in relation to the valuation of 'Chevron Contracts Acquired', including: — checking forecast earnings assumptions for consistency with the valuation model used as part of the pre-acquisition due diligence over the group. — Working with our valuation specialist to independently develop a discount rate range, using market data for comparable entities, adjusted by risk factors specific to the entity.

Electricity Price Derivatives

As disclosed in Note 19 of the consolidated financial statements, included in the net derivative assets and liability balance of $100 million are net electricity price derivatives totalling $103 million.

The key audit matter	How the matter was addressed in our audit
Electricity price derivatives ($103 million) Valuation of these electricity price derivatives is considered to be a key audit matter due to the judgement involved in their valuation, including the valuation methodology used and key valuation assumptions, some of which are unobservable.	Our audit procedures to assess the electricity price derivative valuations included, amongst others: — Agreeing key terms of derivative contracts held at 31 December 2022 to the derivative valuation model and individual underlying contracts; — Agreeing key valuation inputs used in the valuation model to independent future electricity pricing market data; and — In conjunction with our valuation specialists, assessing the appropriateness of the valuation methodology applied and the reasonableness of the key valuation assumptions.

Other information

The Directors, on behalf of the group, are responsible for the other information included in the entity's Annual Report. Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

This independent auditor's report is made solely to the shareholder as a body. Our audit work has been undertaken so that we might state to the shareholder those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholder as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of the Directors for the consolidated financial statements

The Directors, on behalf of the company, are responsible for:

— the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards issued by the New Zealand Accounting Standards Board;

— implementing necessary internal control to enable the preparation of a consolidated set of financial statements that is free from material misstatement, whether due to fraud or error; and

— assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objective is:

— to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and

— to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of these consolidated financial statements is located at the External Reporting Board (XRB) website at:

http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Ed Louden

For and on behalf of

KPMG

KPMG
Wellington

28 February 2023

Te kuputohu TCFD

Task Force on Climate-related Financial Disclosures (TCFD) index

Z remains committed to full, transparent climate-related disclosures through its annual reporting process following the Ampol transaction.

This Annual Report, published to align with the Ampol financial year, covers the first nine months of the 12-month period in which we complete work to close out actions identified in our four-year TCFD Roadmap (see page 49). Therefore, much of the content in the TCFD Report as published in Z's FY22 Annual Report at: https://www.z.co.nz/about-z/corporate-centre remains relevant. The TCFD Index below outlines where there has been a material change resulting from the Ampol transaction or business strategy over these nine months.

In 2023, Z intends to transition towards reporting in line with the XRB Climate Standards, with a complete report to be published in early 2024.

Status	Disclosure	Page no.	Further information
	Governance		**Disclose the organisation's governance around climate-related risks and opportunities**
●	Describe the Board's oversight of climate-related risks and opportunities	28, 49, 50, 64	Z now operates as a subsidiary of Ampol Group. A new Z Board has been established to oversee Aotearoa New Zealand operations. Z has engaged with the Board to review and agree how the Board will meet its obligations to manage climate risk. The Board committed to a set of eight climate-governance principles, as recommended by the World Economic Forum's Climate Governance Initiative (CGI). The principles are intended to enable non-executive directors to gain climate awareness and skills, embed climate considerations into Board decision-making, and understand and act on the risks and opportunities that climate emergency poses to the long-term resilience and business success of their companies, while also taking into account all stakeholders. A workplan has been agreed to address Director development in climate-related risks and opportunities.
●	Describe management's role in assessing and managing climate-related risks and opportunities	49	Z's Leadership Team (ZLT) retains ownership of Aotearoa New Zealand operations and customer-facing components of the Z business. The ZLT is responsible for providing direction and assurance on Z's Enterprise Risk Management System (ERMS). Z's General Manager, Strategy and Risk is the responsible business owner for the overarching management of climate-related risks and opportunities identified within the ERMS. Each preventative control is assigned a business owner which includes other members of the ZLT and Senior Leaders across the organisation as it relates to their workstreams. The ZLT as a whole approves climate-related risks and opportunities identified within Z's business strategy, and the effectiveness of identified controls. This includes Z's climate-related metrics and targets which are included in company performance targets. The Z Chief Financial Officer, Chief People Officer and Chief Governance Officer remain on the ZLT team and have a solid reporting line into the equivalent Ampol functions. The Z CEO also sits on the Ampol Leadership Team so there is good alignment between the most important areas of the business to ensure successful integration for the business and in our response to climate-related risks and opportunities.

Status	Disclosure	Page no.	Further information
	Strategy		**Disclose the actual and potential impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material**
●	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	16-19, 123	The infographic on page 123 shows the assessment of Z's climate-related risks and opportunities resulting from an analysis of both transitional and physical risks in the short term (2020–2025), medium term (2025–2040) and long term (2040–2060) against two reference scenarios – IPCC RCP 2.6 and RCP 4.5 and the Business Energy Council Kea and Tūī transition scenarios. The risks and opportunities remain similar over each time period with transitional risks and opportunities presenting as more material in the short-medium term.
◐	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	16-19, 28-31, 123	The impact of climate-related risks and opportunities and Z's business response are outlined in the infographic on page 123. Z's business response over the past nine months has centred on those identified opportunities: investment in low carbon products and services, leveraging Z's footprint of assets to deliver those services, and ensuring capability to deliver and enhance the customer offering. Z's long-term fuel demand modelling helps us to manage and mitigate the risks for the potential for stranded assets and implications of movement in prices, policy, and physical impacts of climate change. Z is currently completing work to quantify the impacts identified to integrate these more directly into financial planning.
◐	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2-degrees Celsius or lower scenario	50-51	Z built a 20-year long-term fuel demand model to run results, undertake sensitivity analysis and test scenarios. This model builds on the range of scenarios used previously to assess climate-related risk (including the IPCC RCP 2.6 and 4.5 scenarios) and the Climate Change Commission's 'demonstration path' transport emissions scenario. Our investment decisions and strategy are informed by this forecast. Delivery of Z's Low Carbon Future Strategy is a key control in mitigating Z's climate-related financial risks. A frequent iteration of the fuel-demand model to account for real-world changes in behaviour, technology and policy, including Aotearoa New Zealand's Emissions Reduction Plans, will ensure Z remains resilient in the transition to a low carbon economy.

Key ● Complete disclosure ◐ Partial disclosure

Status	Disclosure	Page no.	Further information
	Risk Management		**Disclose how the organisation identifies, assesses, and manages climate-related risks**
●	Describe the organisation's processes for identifying and assessing climate-related risks	51	The identification of Z's climate-related risks in the short, medium and long term (out to 2040) under different temperature scenarios was originally assessed in 2020 in a series of workshops using different RCP scenarios to understand the best case and worst case climate-related impacts. These risks have been logged in Z's Organisational Risk Management system (ZORM) for continued assessment. As key enterprise risks, an annual review process assesses the relevance of each risk.
●	Describe the organisation's processes for managing climate-related risks	51	Z has developed a business response in the form of current or future controls for the key climate-related risks identified. Future controls are given an associated action and deadline within ZORM. Ownership is assigned to each control with a review period of at least annually to identify the effectiveness of each control and any mitigation actions required.
●	Describe how processes for identifying, assessing and managing climate-related risk are integrated into the organisation's overall risk management	51	The process for identifying, assessing and managing climate-related risks is in line with Z's ERMS. Climate-related risks are incorporated into our ERMS as a principal risk. A thorough review of Z's controls and their effectiveness for managing risk was conducted in November 2022. Risks were updated by Z management and reviewed by the Board.
	Metrics and Targets		**Disclose the metrics and targets used to assess climate-related risks and opportunities where such information is material**
●	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	11, 47, 50, 102	Metrics highlighted in this report include a combination of quantitative data, including electricity sold through our EV charging network, greenhouse gas emissions, Emissions Trading Scheme (ETS) NZ units surrendered and carbon emissions for our obligatory and voluntary offsets, and qualitative data including climate risk reviews.
●	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	47	Scope 1, Scope 2, and Scope 3 greenhouse gas emissions are disclosed.
●	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	28-29, 44-46, 47	Z's target for EV chargers at its retail service station sites is included in the Retail customer section, and progress against its FY30 operational emissions reduction target is described in the Environmental Sustainability section of this report.

Notes

Z fully discloses against eight of the 11 recommended disclosures in this report. Disclosures that are identified as being 'complete' are reviewed on an annual basis to ensure information is up to date, relevant and fit for purpose. Partial disclosures are those where Z has not disclosed quantitative financial information to support the disclosure.

Key ● Complete disclosure ◐ Partial disclosure

Qualitative analysis of Z's climate-related risks and opportunities

Physical — **Risk Cause** — **Transitional**

Risk Consequence

Physical:

- **Corporate**
  - Increased operating costs (water and cooling)
  - Increased environmental regulation and compliance costs
  - Increased insurance premiums
- **Operations**
  - Asset damage and maintenance costs
  - Supply disruption
  - Increased reliance on third-party infrastructure mitigation
- **Social**
  - Workforce safety and wellbeing

Transitional:

- **Corporate**
  - Increased cost of capital
  - Increased operational costs due to higher carbon price
  - Increased litigation, regulation and compliance costs
  - Re-pricing of asset values
  - Reduced revenue through diminished demand for product
- **Operations**
  - Reduced performance of assets
- **Social**
  - Reduced employee wellbeing
  - Reduced talent attraction and retention
  - Inability to provide products that meet customer expectations

Opportunity

- Potential expansion of biodiesel delivery areas
- Ability to leverage scale to reduce supply disruption
- Partner with third-party asset owners to mitigate shared infrastructure risks

- Invest in low carbon products and services
- Reduce exposure to compliance and regulation costs
- Leverage Z's distributed footprint across NZ
- Optimise strategic asset planning
- Attract talent through a proactive approach to a low carbon transition
- Enhance customer experience through low carbon offerings

Business Response

- Integrate risk assessment findings into business unit strategic and financial planning
- Perform quantitative analysis of high-risk locations determined by site value and physical risk exposure
- Develop and agree an engagement plan with third-party asset owners

- Strengthen balance sheet and pay down debt
- Deliver additional cash flow through exiting crude oil supply
- Develop alternative, low carbon revenue streams
- Reduce operational emissions and exposure to carbon costs while providing options for customers to do the same
- Build capabilities
- Provide transparent ESG Reporting

Te kuputohu GRI | Global Reporting Initiative (GRI) index

GRI Standard/ Other source	Disclosure	Location	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation	GRI Sector Standard Ref No.
General disclosures						
GRI 2: General Disclosures 2021	**The organisation and its reporting practices**					
	2-1 Organisational details	Front cover, 3				
	2-2 Entities included in the organisation's sustainability reporting	47				
	2-3 Reporting period, frequency and contact point	Front cover, 3				
	2-4 Restatements of information	11, 53				
	2-5 External assurance	47, 114-118				
	Activities and workers					
	2-6 Activities, value chain and other business relationships	4-7, 16-19, 24-31, 33				
	2-7 Employees	70-71				
	2-8 Workers who are not employees	70				
	Governance					
	2-9 Governance structure and composition	64				
	2-10 Nomination and selection of the highest governance body	64				
	2-11 Chair of the highest governance body	64				
	2-12 Role of the highest governance body in overseeing the management of impacts	64				
	2-13 Delegation of responsibility for managing impacts	64				
	2-14 Role of the highest governance body in sustainability reporting	64, 120				
	2-15 Conflicts of interest	64				
	2-16 Communication of critical concerns	65				
	2-17 Collective knowledge of the highest governance body	64				
	2-18 Evaluation of the performance of the highest governance body	64-65				
	2-19 Remuneration policies	75-76				
	2-20 Process to determine remuneration	75-76				
	2-21 Annual total compensation ratio	75-76				
	Strategy, policies and practices					
	2-22 Statement on sustainable development strategy	16-19, 22-23, 28-31				
	2-23 Policy commitments	65, 66				
	2-24 Embedding policy commitments	64-65, 66				
	2-25 Processes to remediate negative impacts	65				
	2-26 Mechanisms for seeking advice and raising concerns	65				
	2-27 Compliance with laws and regulations	65				
	2-28 Membership associations	45				
	Stakeholder engagement					
	2-29 Approach to stakeholder engagement	12-13				
	2-30 Collective bargaining agreements	N/A	2-30	Not applicable	There are none	

GRI content index

Statement of use: Z Energy has reported in accordance with the GRI Standards for the period 1 April 2022 to 31 December 2022.

GRI used: GRI 1: Foundation 2021.

Applicable GRI Sector Standard: GRI 11: Oil and Gas Sector 2021.

GRI Standard/ Other source	Disclosure	Location	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation	GRI Sector Standard Ref No.
Material Topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	12				
	3-2 List of material topics	1, 12-13				
Climate change – GHG Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	46, 47				11.1.1
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	N/A	302-1	Information incomplete	Energy consumption data has not been standardised to report in joules. Energy consumption within and outside of the organisation is currently reported in tonnes of CO2-e and reported in Z's GHG Inventory published online at: https://www.z.co.nz/about-z/corporate-centre/ Z will review its reporting of energy consumption alongside an energy intensity ratio as part of the climate-related disclosures workplan in 2023.	11.1.2
	302-2 Energy consumption outside of the organisation	N/A	302-2	Information incomplete		11.1.3
	302-3 Energy intensity	N/A	302-3	Information incomplete		11.1.4
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	47				11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions	47				11.1.6
	305-3 Other indirect (Scope 3) GHG emissions	47				11.1.7
	305-4 GHG emissions intensity	N/A	305-4	Information incomplete	Z will review its reporting of intensity ratios as part of the climate-related disclosures workplan in 2023 to ensure metrics are robust, complete and comparable year on year (see also 302-3 above).	11.1.8

GRI Standard/ Other source	Disclosure	Location	Omission			GRI Sector Standard Ref No.
			Requirement(s) omitted	Reason	Explanation	
Climate change – Climate adaptation, resilience, and transition						
GRI 3: Material Topics 2021	3-3 Management of material topics	28-30, 44-46, 48-51, 120-123				11.2.1
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	48-51, 120-123				11.2.2
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	46, 47				11.2.3
Additional sector disclosures	Approach to public policy development and lobbying on climate change	45				11.2.4
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	45				
	308-2 Negative environmental impacts in the supply chain and actions taken	45				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	36-40, 42-43, 44-45				
Non-GRI	Own measure: Brand preference (Aotearoa New Zealand consumers]	11				
Non-GRI	Own measure: Kilowatt hours sold through EV charging network	11				
Climate change – Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	44-46, 47				11.5.1
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	47				11.5.2
	306-2 Management of significant waste-related impacts	47				11.5.3
	306-3 Waste generated	47				11.5.4
	306-4 Waste diverted from disposal	47				11.5.5
	306-5 Waste directed to disposal	47				11.5.6
Safety and wellbeing – Asset integrity and critical incident management						
GRI 3: Material Topics 2021	3-3 Management of material topics	52, 66-69				11.8.1
GRI 306: Effluents and Waste 2016	306-3 Significant spills	53, 69				11.8.2
	Tier 1 and Tier 2 process safety events	53				11.8.3
Own measure	Motor vehicle incidents	53				
Own measure	Robberies	53				
Safety and wellbeing – Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	52, 66-69				11.9.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	52, 66-67				11.9.2
	403-2 Hazard identification, risk assessment, and incident investigation	53, 67-68				11.9.3
	403-3 Occupational health services	68				11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	68				11.9.5
	403-5 Worker training on occupational health and safety	68				11.9.6
	403-6 Promotion of worker health	68				11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	68-69				11.9.8
	403-8 Workers covered by an occupational health and safety management system	69				11.9.9
	403-9 Work-related injuries	53, 69				11.9.10
	403-10 Work-related ill health	53, 69				11.9.11
Non-GRI	Own measure – Wellbeing Net Promoter Score	53				

GRI Standard/ Other source	Disclosure	Location	Omission			GRI Sector Standard Ref No.
			Requirement(s) omitted	Reason	Explanation	
The labour market – Employment practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	12-13, 54-57, 58-61, 71-73				11.10.1
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	71				11.10.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	72				11.10.3
	401-3 Parental leave	60, 72				11.10.4
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	72				11.10.5
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	73				11.10.6
	404-2 Programs for upgrading employee skills and transition assistance programs	73				11.10.7
	404-3 Percentage of employees receiving regular performance and career development reviews	73				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	45				11.10.8
	414-2 Negative social impacts in the supply chain and actions taken	47, 52				11.10.9
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	54-57, 64, 74				
	405-2 Ratio of basic salary and remuneration	75-76				
Non-GRI	Own measure - Employee Net Promoter Score	11				
Security of fuel supply						
GRI 3: Material Topics 2021	3-3 Management of material topics	12-13, 16				
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	22-23, 24-27				
Own measure	Optimise the core	23				
Affordability						
GRI 3: Material Topics 2021	3-3 Management of material topics	12-13, 17, 36-37				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	72, 75-76, 80, 86				
Cyber security						
GRI 3: Material Topics 2021	3-3 Management of material topics	12-13, 65				
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	65				

Topics in the applicable GRI Sector Standard determined as not material

Topic	Explanation
Oil and Gas Sector Standard	
Air emissions	Not assessed as a material topic
Biodiversity	Not assessed as a material topic. See pages 38-40, Biodiversity fund
Water and effluents	Not assessed as a material topic. See page 45, Reduce water use
Closure and rehabilitation	Not assessed as a material topic
Non-discrimination and equal opportunity	Not assessed as a material topic. See pages 54-57 and 74, Diversity and inclusion stand
Forced labour and modern slavery	Not assessed as a material topic. See pages 65-66, Modern slavery
Freedom of association and collective bargaining	Not assessed as a material topic. See GRI 2-30, No collective bargaining agreements
Economic impacts	Not assessed as a material topic
Local communities	Not assessed as a material topic. See pages 36-40 and 42-45, Community stand
Land and resource rights	Not assessed as a material topic
Rights of indigenous peoples	Not assessed as a material topic. See pages 54-57, Diversity and inclusion stand
Conflict and security	Not assessed as a material topic
Anti-competitive behaviour	Not assessed as a material topic
Anti-corruption	Not assessed as a material topic
Payments to governments	Not assessed as a material topic
Public policy	Not assessed as a material topic. See page 45, Government engagement

Materiality – how we have grouped and included our material issues

Information on the material topics covered by this report can be found on pages 12 to 13, including how we group these topics. We set out below how these material topics relate to our disclosures, including any corresponding GRI disclosures:

Safety and wellbeing	11.9 Occupational health and safety
	11.8 Asset integrity and critical incident management
Security of fuel supply (own measure)	GRI 2-6 activities, value chain and other business relationships
Affordability (own measure)	GRI 201: Economic Performance 2016
Climate change	11.1 GHG Emissions
	11.2 Climate adaptation, resilience, and transition
The labour market	11.10 Employment practices
Cyber security (own measure)	GRI 418: Customer Privacy

Ngā Pārongo | Company directory

Registered and head office — New Zealand

3 Queens Wharf
Wellington 6011
z.co.nz

Contact us

For general enquiries phone:
0800 474 355 and select '0' or
email: general@z.co.nz
Facebook: Z Energy
LinkedIn: Z Energy

Directors

Ceased 10 May 2022:
Abigail Foote (Chair)
Mark Cross
Blair O'Keeffe
Julia Raue
Mark Malpass
Stephen Reindler

Appointed from 10 May 2022:
Matthew Halliday (resigned 1 September 2022)
Greg Barnes
Penny Winn

Appointed from 1 September 2022:
Simon Allen (Chair)
Andrew Brewer

Executive team

Mike Bennetts
Chief Executive Officer
Pou Matua

Lindis Jones
Chief Financial Officer
Pou Tiaki Pūtea

Andy Baird
General Manager, Retail and Customer
Pou Hokohoko, Kiritaki

Debra Blackett
General Counsel and
Chief Governance Officer
Pou Arataki

Julian Hughes
General Manager, Supply
Pou Punakora

Nicola Law
General Manager, Commercial
Pou Pakihi

Helen Sedcole
Chief People Officer
Pou Tangata

Mandy Simpson
Chief Digital Officer
Pou Matihiko

Nicolas Williams
General Manager, Strategy and Risk
Pou Rautaki, Tūraru

Lawyers

Chapman Tripp
10 Customhouse Quay
Wellington 6140

Minter Ellison Rudd Watts
18/125 The Terrace
Wellington 6011

Bankers

ANZ Bank New Zealand Limited
215-229 Lambton Quay
Wellington

Bank of New Zealand
80 Queen Street
Auckland

Hong Kong and Shanghai Banking Corporation
HSBC Tower
195 Lambton Quay
Wellington

MUFG Bank
Level 22, 151 Queen Street
Auckland

Westpac Banking Corporation
188 Quay Street
Auckland

Auditor

KPMG
Maritime Tower
10 Customhouse Quay
PO Box 996
Wellington 6140

FSC MIX Paper from responsible sources FSC® C107054

This report printed on FSC® certified paper using vegetable-based inks.

Z ENERGY
ANNUAL REPORT

From strong foundations we build the future

For the nine months
to 31 December 2022