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# Modern Slavery Statement 2021

Z ENERGY LIMITED  
For the 12 month period ending 31 March 2021



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## Chair and CEO report:

**People are at the core of our business, including our Z whānau (family), customers, communities, suppliers and partners. Our purpose is to solve what matters for a moving world, and we acknowledge the impacts of what we do extend beyond our own operations and our direct supply chains. We are committed to upholding human rights to protect workers and prevent exploitation across our business.**

As an ASX listed company, we are committed to meeting the requirements of Australia's Commonwealth Modern Slavery Act 2018 (the Act).

In this, our second Modern Slavery Statement under the Act, we describe the likely types of modern slavery risk in our operations and supply chains, the actions we undertook in FY21 to address those risks and an evaluation of the effectiveness of our actions. We include an updated roadmap of completed and planned actions. We are mindful of the increased risk of vulnerable workers relating to the ongoing impacts of the Covid-19 pandemic and are committed to reducing this risk in our operations and supply chains.

This Statement includes information about our related entity, Flick Energy Limited, a New Zealand electricity retailer.

### Our approach to modern slavery

Our approach to modern slavery is aligned with our three values:

- **Stand out** — we'll demonstrate the effectiveness and limitations of our programme and report on outcomes as well as outputs
- **Speak up** — we'll be straight up and honest about our progress on this journey
- **Side by side** — we'll take our employees, suppliers and partners with us every step of the way and constantly look for ways they can help us to improve.

Our focus to date has been to ensure we have robust processes in place to reduce the likelihood of modern slavery practices in our operations and supply chains and to ensure we have open communication channels to enable any incidents to be reported and managed — this includes ensuring that:

- our employees and Retail network members understand what modern slavery means
- we have the right policies and behaviours in place to ensure we protect the human rights of our employees including our Retail network members
- the risk of modern slavery is embedded within our existing risk management and governance frameworks
- our suppliers understand our expectations around human rights in our supply chains.

***Z has not identified any situations or instances of modern slavery practices in its operations or supply chains for the 12 months ending 31 March 2021, and will continue to monitor the risk of modern slavery at Z.***

We are committed to taking further action on modern slavery practices, and the ongoing development required throughout our business.



**Abby Foote**  
Chair of the Board



**Mike Bennetts**  
Chief Executive Officer

**This Modern Slavery Statement for 2021 meets the requirements of the Commonwealth Modern Slavery Act 2018, including requirements for approval as per section 13(2) of the Act. This Statement was approved by the Z Board (principal governing body) of Z Energy Limited (reporting entity) on 24 September 2021.**



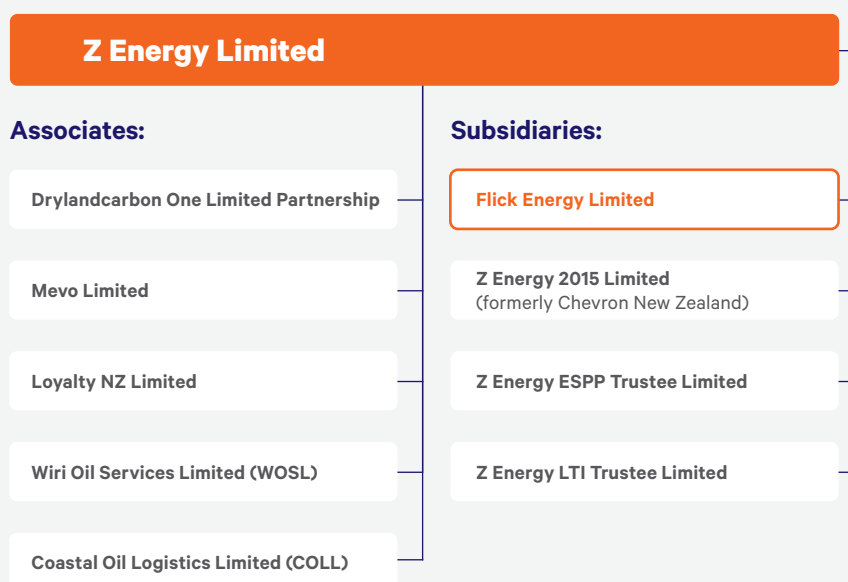
## Our structures, operations and supply chains

### Our structures

#### Z's structure

Z Energy Limited (Z) is registered in New Zealand and listed on both the New Zealand Stock Exchange (NZX) and the Australian Stock Exchange (ASX). Our head office is located at 3 Queens Wharf, Wellington 6011, New Zealand.

The structure of our interests in associated and jointly controlled operations, and subsidiaries is set out below



#### Our controlled entity

**Flick Energy Limited (Flick)** Z has one controlled entity — Flick. We own 70 percent of Flick, a New Zealand registered electricity retailer.

Z Energy Limited and Flick Energy Limited are both covered by this joint Modern Slavery Statement.

## Our joint arrangements

Most of Z's investments in joint arrangements relate to refining and fuel distribution and storage.

New Zealand's four main oil companies, Z Energy Limited, Z Energy 2015 Limited, BP Oil New Zealand and Mobil Oil New Zealand, own and operate refining and distribution infrastructure across New Zealand either independently or via joint operating or joint venture arrangements.

### Refining New Zealand (Refining NZ)

Refining NZ owns and operates Marsden Point Refinery (the Refinery) near Whangarei which refines crude oil imports on behalf of the main oil companies. Z has a 15.1 percent holding in Refining NZ.

Refining NZ also owns the Refinery to Auckland Pipeline (RAP), a 170-kilometre underground multiproduct pipeline which transfers industry refined product to Auckland.

### Coastal Oil Logistics Limited (COLL)

Z has a 50 percent holding in COLL, a joint venture company which coordinates fuel shipments from the Refinery using coastal ships to supply terminals at ports around New Zealand. COLL also schedules refined product imports from international refineries and terminals to supplement the refined product supplied by Refining NZ.

### Wiri Oil Services Limited (WOSL)

Z has a 44 percent holding in WOSL, a joint venture company which operates and maintains the Wiri and Marsden Point Terminals.

WOSL is also responsible for the operation and maintenance of a short Wiri to Auckland Airport Pipeline (WAP), which transfers aviation fuel to Auckland Airport. Z has a 40 percent holding in the WAP.

### New Zealand Oil Services Limited (NZOSL)

NZOSL is an operating company engaged to operate our jointly owned Hutt City JV Terminal.

### Joint User Hydrant Installation (JUHI) – Auckland Airport

Z has a 33 percent holding in JUHI, an unincorporated joint venture operating at Auckland Airport. This site is used to store and supply fuel to the airport's domestic and international terminals and aviation customers.

### Joint Owned Storage Facility (JOSF) – Christchurch Airport

Z has a 50 percent holding in JOSF, a joint venture company operating at Christchurch Airport. This site is used to receive, filter, store and supply fuel to the airport's domestic and international aviation customers.

### Joint Into-plane Fuelling Services (JIFS)

Z has a 50 percent holding in JIFS, an into-plane fuelling service for the supply of aviation fuel at Auckland airport.

## Our other associates

### Drylandcarbon One Limited (Drylandcarbon)

Z has a 37 percent holding in Drylandcarbon, a New Zealand based carbon farming afforestation partnership.

### Loyalty New Zealand (Loyalty NZ)

Z has a 25 percent holding in Loyalty NZ, a loyalty, marketing and data analytics consulting firm. Loyalty NZ runs the Flybuys loyalty programme used by 80 percent of New Zealand households.

### Mevo Limited (Mevo)

Z has a 32 percent holding in Mevo. Founded in 2014, Mevo was New Zealand's first electric hybrid car share company. Mevo operates a fleet of modern plug-in hybrid and efficient petrol vehicles in Wellington, Auckland and Hamilton.

### Our corporate governance

Z's Board and Executive Team ensure we have the right strategies in place and are making the right decisions to deliver on our purpose in an ever-changing environment.

Our governance structure is set out below:



### Our employees

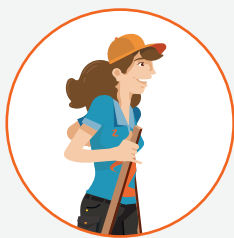
As at 31 March 2021, we had a total of 2,121 workers, including direct employees and contractors at our corporate offices and terminal sites, and our Retail network members. Further details about our employees are provided on page 10.

### Our values

Z has a strong, values-based culture to guide the way we behave, work together and the decisions we make.

Having clearly defined values at Z provides direction and clarity for our people, especially during challenging or uncertain times.

Z's values are the foundations of our company. While we only have three values, and they are remarkably simple, they have helped us build a highly engaged, committed company during the most challenging year in our history.



#### 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.

## Our Stands

Z has always elected to publicly stand for the things we believe are most important. We call these things our 'Stands' and they are the areas in which we seek to make a distinctive contribution within Aotearoa New Zealand.

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

With the challenges posed by climate change and Covid-19, and with global concern continuing to mount over issues of racial and gender equality in particular, these Stands were never more important than in FY21.

### Community Stand

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

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

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

### Diversity and Inclusion Stand

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

### Safety and Wellbeing Stand

We stand for enhancing the lives of our people and communities where we are committed to providing workplaces that enable safe, productive and engaging work that enhances the physical and mental wellbeing of our Z whānau, the partners we work with and the wider Aotearoa New Zealand.

We know that our 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 whole selves to our work.

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

### Sustainability Stand

We stand for an environmentally sustainable New Zealand that is an example to the rest of the world and an inspiration to Kiwis. Z will move from being a part of the climate change problem to the heart of the solution.

We will be bold and provide leadership and a range of solutions to enable our customers, stakeholders and communities to join us on the journey to a low carbon future.



### Our Crew Promise

Z has a Crew Promise for the staff of all our Retail network members which outlines a promise from Z and our Retailers based on the effort they put into working with Z.

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

#### Lifestyle and wellbeing

We are committed to promoting your physical, mental and emotional health and wellbeing so you go home happy and healthy at the end of every working day. We do this in a bunch of ways, and we also think that part of your wellbeing is to really enjoy your work.

#### Learning and development

Your development matters because people matter — it's you who will make us extraordinary. We are committed to your success and we believe that supporting your development is one of the best ways for us to do that. We want to be a place for personal growth, not just work.

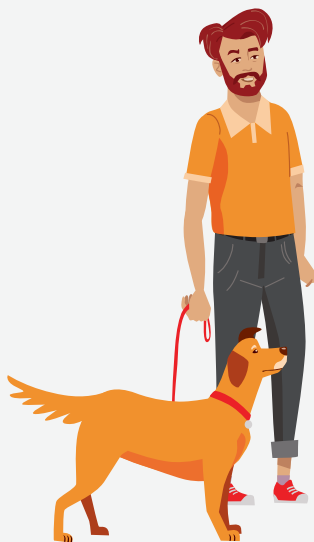
#### Reward and recognition

We reward and recognise excellent performance so that we can attract, keep and grow the best people to help us all deliver an extraordinary future and share in each other's success.

Every day you come to work, you are helping Z become a world class Kiwi company. Z couldn't be what it is without your contribution, and we recognise what you do.

#### Tribe and vibe

When you're part of the Z family, you're part of our 'tribe' — a group of individuals connected by a common purpose and values. We are different, the way stuff gets done is different and what we aspire to is different. We believe that together we can realise an extraordinary future.



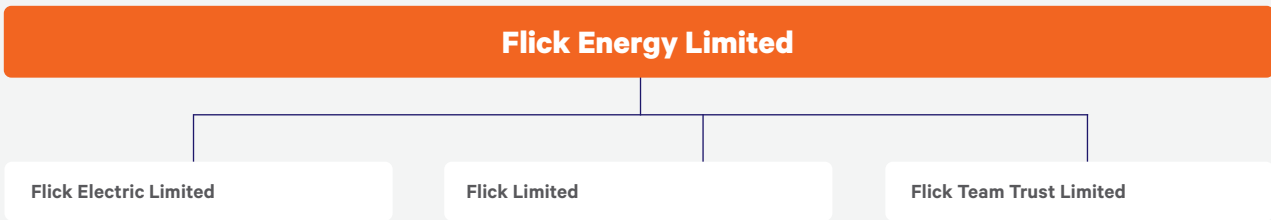
There are things that matter so much to us that you will see them playing out in how we work every day, like our values and the things we stand for. Our people are passionate about what they do and we are passionate about supporting our people to enjoy their work and thrive in it.

### **Flick's structure**

Flick Energy Limited (Flick) is an incorporated company, registered in New Zealand. Flick's office is located at 8 Kent Terrace, Mount Victoria, Wellington 6011, New Zealand.

### **Flick's entities**

Flick has 100 percent ownership of three entities as set out below:



### **Flick's employees**

As at 31 March 2021, Flick employed around 60 full time equivalent staff.

## Our operations

### Z's operations

Z is the largest transport energy company in Aotearoa New Zealand.

Our operations span crude oil, refined product and non-fuel procurement, contracted refining, national distribution, fuel and non-fuel product sales, and commercial and retail marketing.

Most of the fuel sold by Z is made from crude oil that Z purchases from overseas suppliers. This crude oil is shipped to New Zealand where it is refined into fuels at New Zealand's only refinery at Marsden Point. We also import some refined product, bitumen and biofuels.

Most of the refined fuel is then shipped to ports around New Zealand for storage at our owned or jointly owned terminals before being distributed around the country. The main form of distribution is by road tankers operated by our contracted national fuel haulier who transports the fuel to our service stations and truck stops, as well as to airports and some of our commercial, aviation, bitumen and marine customers. Diesel and lubricants are also transported by our Mini-Tankers franchisees directly to some customers.

Fuel is also sold directly from bulk fuel terminals on a Terminal Gate Pricing (TGP) basis which requires compliance with our certification procedures.

Z supplies 40 percent of the New Zealand fuel market across our network of 330 Retail sites and 151 truck stops.

### Our workforce

Our workers are employed in our corporate offices and at our terminal sites and Retail sites.

Of our 2,121 workers, 498 are direct employees: 476 of those are permanent and 22 are fixed term employees.

All our 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, which in principle legislates against modern slavery.

## Our business relationships

### Retail network

Most of our service stations are staffed. We have regular, structured communications with our Retail network members whose employees form a significant part of our frontline operations.

Our operational risk management system is applied across our Z Retail sites.

Caltex sites are independently owned and operated.

### Mini-Tankers

Z operates a franchise model with Mini-Tankers who provide fuel and lubricants direct to equipment via refuelling bulk diesel tanks and through direct machine refuelling. Mini-Tankers supply to trucking and earth moving companies, transport firms, construction sites, power generators, loggers, mining operations, as well as to farms and private homes (for home heating).

Our operational risk management system is also applied across Mini-Tankers.

### Flick's operations

Flick is an electricity retailer. Team functions comprise customer service, operations, marketing and product / technology.

### Flick's workforce

Flick's employees work inhouse. All staff are employed on independent employment agreements.

Flick pays at least the living wage to any hourly wage staff.

## Our supply chains

### Z's supply chain

Our supply chain can be simplified into three distinct parts relating to the supply and distribution of:

- fuel products (our core supply chain) and other products and services that support the delivery of fuel products to our customers
- products and services that support our retail business, including products sourced for our Retail sites to on-sell to customers
- products and services that support our delivery to our Commercial customers.

**Imported crude oil and fuel:** Z does not explore or drill for oil, so we need to purchase it on the international market. Z imported 9.5 million barrels of crude oil and 10 million barrels of refined fuel in FY21 — 40 percent of New Zealand's total transport fuel. We also imported 2.7 million litres of biofuels during the year.

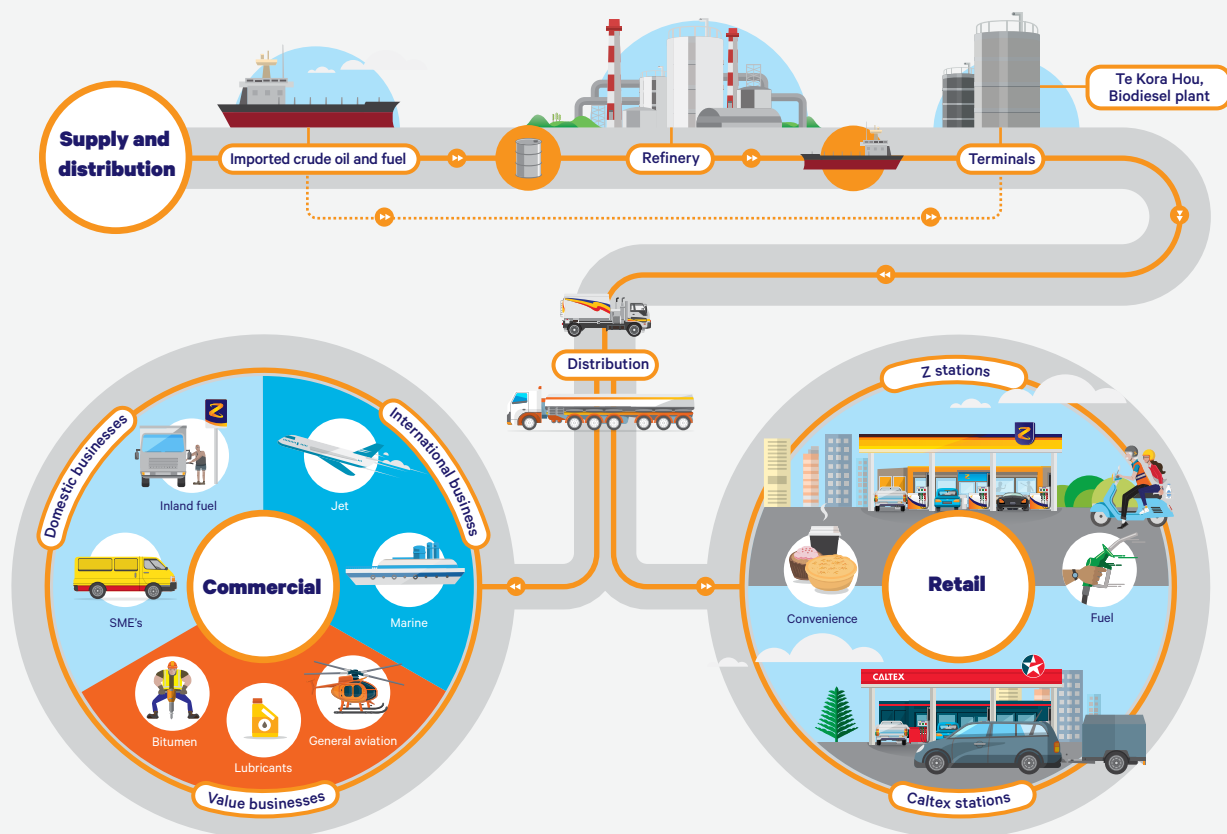
**Refinery:** All crude oil imported into New Zealand is refined by Refining NZ — New Zealand's only oil refinery. Z uses nearly half of the capacity of the Marsden Point refinery where crude is refined into petrol, diesel, aviation fuel and fuel oil. Z has a 15.1 percent shareholding in the refinery.

**Supplying our customers:** From the terminal storage facilities, refined product is distributed in smaller amounts across New Zealand by road tankers and pipelines to retail service stations, truck stops and commercial customers. We also sold 116 million litres of fuel directly from our bulk fuel terminals.

#### Imported crude oil and fuel

#### Refinery

#### Supplying our customers



**Commercial markets:** Z provided 1,694 million litres of product to Commercial customers. This includes aviation fuel to airlines; marine fuel oil to the shipping and fishing industries; bitumen to New Zealand's road-building industry and diesel for trucks and tractors. Z has the strongest truck-stop network in the country with 151 sites.

**Retail service stations:** Z provided 1,392 million litres of fuel to Retail customers through its network of 197 Z-branded and 133 Caltex-branded service stations.

#### Commercial markets

#### Retail service stations

## Our procurement structure

The role of the procurement function is to provide frameworks on how to establish, negotiate and manage supplier relationships, and seek assurance from the business that the right activities are carried out, including appropriate supplier due diligence.

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

## Our supplier arrangements

### Fuel arrangements

We purchase crude oil on the international oil market where all customers trade two months prior to the date of loading, it then takes a further month before the crude oil arrives in New Zealand.

We normally use term contracts to purchase refined product. We then contract third party specialists to oversee the loading of refined product onto vessels to ensure adequate loading, product quality, and safety and wellbeing procedures are maintained.

We import bitumen from a number of international traders around the world. Lubricants are supplied via a single distributor agreement. We import avgas through a joint venture arrangement for general aviation.

We own or have part-ownership in 14 terminals across New Zealand and three aviation refuelling operations — details of joint arrangements are set out on page 4. We also own a biodiesel manufacturing plant in Auckland which is currently in hibernation.

Our fuel is distributed around the country by a national haulage operator.

We sell product to Z and Caltex branded distributors and resellers on a wholesale basis who then sell the product to their own customers. Some of this product is sold directly to distributors from our terminals, and to resellers via our fuel card programme or bulk deliveries.

### Non-fuel arrangements

Z has a mix of long- and short-term supply arrangements depending on the nature of the products and services involved. For example, IT infrastructure support services are typically three-year arrangements, whereas some low-risk commodities are shorter term or simply bought on a case-by-case basis.

Some examples of our non-fuel products and services are:

- Convenience Retail products including Z-branded merchandise
- Cleaning services
- Facilities maintenance services at our Retail sites
- Fuel maintenance services at our Retail sites
- Office products
- IT support services
- Call Centre services

## Flick's supply chain

Flick's main procurement activity relates to the purchase of energy within New Zealand from New Zealand generator-retailers (gentailers).

Flick also has some relatively minor procurement activity in relation to technology, marketing and external consultants.

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## Risks of modern slavery practices in our operations and supply chains

Our Stand on Safety and Wellbeing helps drive our commitment on ensuring that modern slavery practices are not present in any of our operations or supply chains, or in any of the entities we own or control. Our enterprise risk management framework helps to guide the identification, management and monitoring of any modern slavery practices in any of our operations or supply chains.

### Risks in our operations

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. This also ensures that any potential or actual modern slavery practices identified are escalated to the right level of management accountability for appropriate attention and treatment.

### Identifying operational risks

#### Risks in our recruitment processes

Z's direct workforce is almost entirely direct employees employed on predominantly permanent employment individual agreements. 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. For all other labour arrangements, Bulk Fuels either directly employs individuals under Z individual employment contracts, (part time, fixed term or full time), or contracts suitable organisations to provide labour and contract services for specific work tasks, e.g. maintenance and engineering 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, including creating the space to speak up should they have concerns about the experience they have had with their agency.

#### Risks in our business relationships

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.

During FY21 we took steps to communicate with our Retail network members about modern slavery and our human rights expectations, and we 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.

## Risks in our supply chains

During FY21, we continued our work to assess the likelihood of modern slavery practices in relation to our tier 1 suppliers. We have focussed on risks associated with high-risk areas of modern slavery in terms of sector and industry, products and services, labour practices and contracting.

We have identified the following high-risk areas within our tier 1 suppliers:

### Modern slavery risk factors

Provides Z- or Caltex-branded merchandise

Operates in the horticulture, textile, construction, cleaning or marine industry

Uses a high number of migrant, young or elderly workers

Uses unskilled, temporary and/or seasonal labour

Uses subcontractors, temporary staffing agencies and short-term contracts

## Actions taken to assess and address the risks

### Our action plan

We have developed a modern slavery action plan to manage delivery against our modern slavery commitments.

The following diagram illustrates the key components of our action plan:





During FY21, we completed the following actions:

### Govern

- Accountability:
  - Considered modern slavery within our existing governance and risk management processes
  - Established an internal modern slavery focus group to provide oversight in relation to our commitment to the Act
- Communications and training: we shared our commitment to the Act internally and externally, including by way of:
  - Development of an engagement plan
  - Preparation of communications for our employees and Retail network members to provide an understanding of what modern slavery means
  - Submission of a paper to our Board setting out our approach to modern slavery
  - Disclosure of our FY20 Statement on the NZX in addition to the ASX and our Investor Centre website
- Reporting: we embedded modern slavery risk into our annual governance reporting process

### Identify

- Tier 1 suppliers/partners: we focussed on our tier 1 suppliers and our franchise partners by way of:
  - Identifying likely areas of exposure to modern slavery practices in relation to our tier 1 suppliers — **refer Risks section for more detail**
  - Communicating our ‘We’ve Got Your Back’ campaign to help our Retail network members to have a voice
- Risk management: we included modern slavery in our enterprise risk profile which is reviewed at least quarterly by our Executive Team and Board

### Remediate

- Contract management: we updated our Supplier Code of Conduct (SCOC)
  - **refer Supplier Code of Conduct section for more details**
- Incident management: we further developed our remediation approach and process
  - **refer Remediation section for more detail**

### Engage stakeholders

- Controlled entities: we consulted further with our controlled entity, Flick
  - **refer Consultation section for more details**
- Suppliers: we shared our commitment to the Act with our suppliers via our regular supplier newsletter.

Further details about our actions are set out on the following pages.

## Our modern slavery action roadmap

	FY20	FY21*	FY22**	FY23 and beyond
<b>Govern</b>	<ul style="list-style-type: none"> <li>'We've Got Your Back' programme strengthened</li> </ul>	<ul style="list-style-type: none"> <li>Action plan developed</li> <li>Focus group established</li> <li>Engagement plan developed</li> <li>Communications prepared</li> <li>Modern Slavery commitment market disclosures made</li> </ul>	<ul style="list-style-type: none"> <li>Provide modern slavery training at Retailer roadshows</li> <li>Develop online training module for employees and Retail network members*</li> <li>Implement training for employees and Retail network members *</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing communications and training</li> </ul>
<b>Identify</b>	<ul style="list-style-type: none"> <li>Modern slavery risk incorporated into governance and risk management processes</li> </ul>	<ul style="list-style-type: none"> <li>Likely areas of modern slavery risk identified (tier 1 suppliers)</li> <li>'We've Got Your Back' campaign communicated</li> </ul>	<ul style="list-style-type: none"> <li>Commence SCOC compliance assessments</li> <li>Develop framework to provide assurance over risk management processes regarding modern slavery</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing SCOC compliance assessments</li> <li>Seek ongoing assurance that our risk management processes with respect to modern slavery are effective</li> </ul>
<b>Remediate</b>	<ul style="list-style-type: none"> <li>SCOC updated</li> </ul>	<ul style="list-style-type: none"> <li>Supplier Code of Conduct relaunched</li> <li>Strengthening of supplier contract terms commenced</li> <li>SCOC compliance process developed</li> <li>Remediation process development commenced</li> </ul>	<ul style="list-style-type: none"> <li>Continue development of remediation process**</li> <li>Use SCOC process to identify high-risk suppliers**</li> <li>Monitor ongoing impacts of Covid-19 on our supply chain**</li> <li>Complete the review of standard Z contracts to embed modern slavery clauses</li> <li>Partner with key strategic suppliers to deliver due diligence for high-risk goods and services</li> </ul>	<ul style="list-style-type: none"> <li>Use SCOC process to identify and work with high-risk suppliers</li> <li>Build our Retail engagement strategy to strengthen real-time supply chain intelligence</li> <li>Enhance supply chain transparency and management of key inputs</li> <li>Supply chain mapping with key indicators for strategic/ high risk goods/services</li> <li>Refine remediation process</li> </ul>
<b>Engage</b>	<ul style="list-style-type: none"> <li>Controlled entity engagement</li> <li>'We've Got Your Back' built into Crew Promise</li> <li>NZ Retailers' anti-racism pledge launched</li> </ul>	<ul style="list-style-type: none"> <li>Controlled entity engagement</li> </ul>	<ul style="list-style-type: none"> <li>Controlled entity engagement</li> </ul>	<ul style="list-style-type: none"> <li>Controlled entity engagement</li> <li>Leverage established network to develop a human rights supplier leadership programme</li> </ul>

### Key

<span style="display:inline-block; width:15px; height:10px; background-color:#002060; border:1px solid #002060;"></span>	Complete
<span style="display:inline-block; width:15px; height:10px; background-color:#4b4b9b; border:1px solid #4b4b9b;"></span>	In progress
<span style="display:inline-block; width:15px; height:10px; border:1px solid #ccc;"></span>	Planned

### Notes

\*Changes to business priorities because of Covid-19 resulted in delays to the completion of some actions planned for FY21; these have been moved into FY22.

\*\*Further details on these roadmap items will be provided in our Statement for FY22.

### Ongoing commitment

- We have an ongoing commitment to identifying and remedying modern slavery risks in our operations and supply chains
- We have an ongoing commitment to meet the requirements of modern slavery legislation, and to providing transparency through sustainability disclosure
- This Statement, along with our other integrated sustainability reporting, forms a key part of how we communicate what matters with our key stakeholders and shareholders and is aligned with our values.

## Operations actions

### Our risk framework

The risk of modern slavery practices in our operations and supply chains is incorporated into our broader risk governance and management processes.

### Z's Enterprise Risk Management (ERM) framework

Our ERM framework is designed to enable us to identify, manage and monitor risks through mechanisms that are embedded in our day-to-day business operations and decision-making processes. This framework consists of a suite of policies, procedures and guidelines which govern and articulate the expectations of our people, partners and suppliers when faced with situations, conditions or threats of modern slavery practices in our operations and supply chains.

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

The inclusion of modern slavery risk within our ERM framework ensures that our people, partners and suppliers clearly understand the expectations of acceptable conduct and behaviours with regard to modern slavery, and equally that they can recognise and raise situations when they are being treated in a way that is inconsistent with these expectations.

### Z's Operational Risk Management (ZORM) system

ZORM is our ISO45001 accredited management system that is designed to eliminate or minimise operational hazards and risks, and ensure the safety, health and wellbeing of our people and the community and environment we operate in.

ZORM is made up of standards, approaches, procedures and tools to help identify, analyse, evaluate, treat and review our operational risks, including those related to occupational health and safety.

ZORM is used throughout our operations at all sites under our direct management control, including our corporate offices, terminals, Retail sites and Mini-Tankers.

### Our policy framework

The following are the key policies, procedures and guidelines that are most relevant in the prevention and management of potential or actual modern slavery practices in Z's operations and supply chains.

#### Z's Enterprise Risk Policy

Our Enterprise Risk Policy underpins the ERM framework and outlines our people's responsibilities regarding identifying and managing risk such as those related to modern slavery. The Z Board is responsible for ensuring we are operating and making decisions that are consistent with this policy, including the Board's commitment to no harm to our people, including zero tolerance for modern slavery practices in our operations and supply chains.

#### The 'Z Why'

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

### **Employee Code of Conduct**

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

### **The Z 'Fair Go Guide'**

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. This 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.

### **Team Member Whistleblower hotline**

The Whistleblower hotline is staffed by a third party external to Z. Any Z employee or contractor who becomes aware of a legal, regulatory, policy or other compliance issue, or a breach of the Code of Conduct, has a responsibility to report it. Z employees or contractors can also use the hotline to report any personal concerns about modern slavery in confidence.

### **Employee Assistance Programme**

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

We monitor anonymous data to understand trends in EAP usage and hotspot topics. This information is also reported to the Board once a year.

### **'We've Got Your Back' Guidance**

The 'We've Got Your Back' guidance is designed to help our Retail network members deal with situations where a customer is making racist, prejudiced or bigoted remarks. A good proportion of our Z whānau are new New Zealanders, and it's imperative that they're enabled to feel safe, secure and valued in showing up as the face of Z to our retail customers every day. We are committed to leading the way in developing a Kiwi firm that has our people being successful, being ourselves.

### **Discrimination, Bullying & Harassment Policy**

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

### **Compliance with New Zealand legislation**

Z's people, suppliers, partners and entities within its operations and supply chain are required to comply with all New Zealand legislative requirements at all times. These include, among other things, the provisions of the Crimes Act 1961 (NZ) prohibiting slave dealing, smuggling and trafficking of people, abduction and kidnapping.

Z will work with and seek to change the practices of suppliers found to be benefiting from modern slavery practices.

## Supply chain actions

As set out on page 12, we manage and monitor supplier relationships and associated contracts in a consistent way, based on risk, i.e. the risk drives the required level of assurance and performance measurement.

### Supplier Code of Conduct

Z's Supplier Code of Conduct (SCOC) is embedded in all of Z's Standard Supplier Agreements. This outlines minimum standards and expectations on ethical, social and environmental business practices.

The objective of Z's SCOC is to focus on what we reckon matters to New Zealand: Ethical Business, People & Community, Safety & Wellbeing, and Environmental Sustainability.

In July 2020, we launched an updated SCOC. The SCOC is applicable to all suppliers, including their parent, subsidiaries, affiliates and subcontractors (suppliers) providing goods or services to Z. Suppliers must effectively communicate the content of the SCOC to all employees and subcontractors, parent, subsidiaries and affiliates providing products or services to Z and undertake actions necessary and appropriate to assure its implementation.

The SCOC includes an expectation that our suppliers operate with integrity and comply with all applicable laws, regulations and ethical standards of all the countries where they are doing business, including competition and fair trading laws, insider trading laws, data privacy laws, environmental laws and regulations and anti-corruption laws

In August 2020, we sent the updated SCOC to existing suppliers with a focused on our top 50 critical suppliers. We currently have 136 suppliers including all our top 50 critical suppliers accepting the updated SCOC.

Our next step is to commence annual compliance assessments against the SCOC with all tier 1 and high-risk non-tier 1 suppliers. This work will be conducted in 2021.

### Supplier due diligence

Our supplier due diligence process will be continuously strengthened to ensure modern slavery risks are considered as part of supplier selection alongside other risks such as those associated with Person Conducting a business or Undertaking (PCBU).

### Z's Procurement Policy statement

Z takes a risk and threshold-based approach to the sourcing and contracting of products and services in line with the detailed guidance provided in our Procurement Policy. The policy determines the planning, purchasing and contracting activities based on the identified level of third-party risk and spend.

## Oversight and training

Modern slavery practices in our supply chains and operations are considered within our enterprise risk management framework and governance framework, with oversight of modern slavery risk now included within our normal business areas, in particular Governance and Legal, Risk, Procurement, Retail and Communications.

These business areas will ensure we:

- monitor and report on modern slavery risk using our enterprise risk management processes
- communicate with employees and our Retail network members to ensure there is understanding of what modern slavery is
- develop training for employees to reinforce their understanding of modern slavery, the types of circumstances that may present a risk and how to report any issue
- communicate with our suppliers to understand the types of circumstances that may present a risk and seek their compliance with our Supplier Code of Conduct. We will also look to our suppliers for assurance on how they manage modern slavery risks within their supply chains and operations.

## Remediation

We acknowledge it is our responsibility to provide for or cooperate in remediation if adverse impacts of modern slavery are identified.

In FY21, we continued to develop our remediation process, with a focus on ensuring that:

- our employees and Retail network members understand modern slavery
- we have the right policies in place to ensure the protection of the human rights of our employees and our Retail network members
- modern slavery is included as a risk within our risk management processes
- modern slavery forms part of our governance framework
- our suppliers understand our expectations around human rights.

Our next steps are to:

- review our existing incident management processes to identify any changes and improvements that may be required in relation to potential modern slavery incidents
- develop training to assist our employees and our Retail network members to help identify potential modern slavery practices and know how to raise these, how to use our incident management processes to investigate the issue or situation, how to prevent further harm, and how assistance can be provided to those people who have been impacted
- work with our suppliers to get a better understanding of their supply chains and how they manage modern slavery risks, including how they will respond to situations involving modern slavery practices
- work with suppliers when an issue is detected, including how to investigate the issue, how to prevent further harm, such as improving standards for workers, and how assistance can be provided to those people who have been impacted.

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## Impacts of Covid-19

A key area of focus for Z as we navigate through the Covid-19 pandemic is the safety and wellbeing of our people which includes: our Z whānau (family), our customers, our communities, our suppliers and our partners.

Z's Retail Operations provided an invaluable lifeline in many communities across New Zealand during the periods of Covid-19 lockdown over FY21, providing people and families with reliable, safe access to staple essential products and services.

In FY21 we took steps to protect vulnerable workers, customers and communities from the increased risk of modern slavery practices due to the pandemic, including:

- protecting and supporting vulnerable workers in our operations and supply chains, in particular by:
  - triggering Z's pandemic response under our Crisis Management Plan and standing up our Crisis Management Team to ensure we could continue to operate a safe and secure business
  - temporarily redeploying some of our employees to mitigate the impact of changes to our operations
  - ensuring employees were protected from illness and related impacts, including by providing:
    - safe working environments, including appropriate protective equipment such as face masks for frontline staff
    - flexible working arrangements during periods of working from home and any periods of self-isolation
    - Covid-19 special leave for employees who needed help to care for themselves or their dependants during New Zealand's Covid-19 lockdowns (Alert Levels 3 and 4)
    - physical and mental wellbeing support and information
  - using the Z Foundation, a fund which supports our Retail network members in times of sudden hardship
- making donations to support champions in our community, including financial donations to our partners at St John Ambulance and Wellington Free Ambulance to support the operation of their ambulances during lockdown and fuel donations to the New Zealand Student Volunteer Army who delivered food and essential supplies to elderly and vulnerable people across our communities
- putting together a package to support small business customers, including increasing discounts, extending credit terms and removing account fees through lockdown
- launching our online Z Business Hub to provide access to tools, resources and support materials and running a webinar for customers on how to look after themselves and their businesses during a crisis
- ensuring our commercial customers knew how to access Covid-19 financial support and government assistance if required
- maintaining existing supplier relationships and honouring our contracts.

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## Assessing the effectiveness of our actions

Our modern slavery focus group has been established to implement our plan of actions. Regular reporting by this group to our Chief Governance Officer is in place to track completion of each action and obtain additional resource where required.

Annual compliance assessments with our tier 1 suppliers are in development and will be rolled out in FY22. Focus will then extend to high-risk non-tier 1 suppliers.

Further communications about modern slavery risks and an online training module for our employees and our Retail network employees will be released in FY22 to ensure our people understand what modern slavery practices look like and how to report any risks or incidents that may arise in our supply chains or operations.

With the inclusion of modern slavery risk in our enterprise risk management framework, monitoring will be put in place should any modern slavery incidents occur. Our incident management and reporting processes will ensure any incidents of modern slavery in our supply chains or operations are brought to the attention of the relevant groups for investigation and remediation.



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## Consultation process with related entities

Z is engaging with Flick Energy Limited to ensure their frameworks, processes and systems are consistent with Z's expectations and approach to managing modern slavery practices within their organisation, and to ensure they are compliant with Australia's Commonwealth Modern Slavery Act 2018.

