



# Sustainability Report 2019

Extracted from the 2019 Viva Energy Group Limited Annual Report

# Sustainability

## 2019 Highlights

Total Recordable Injury Frequency Rate (TRIF) ↓  
**4.55**  
FY2018: 5.77

Lost Time Injury Frequency Rate (LTIF) ↑  
**1.41**  
FY2018: 1.12

Inaugural Reconciliation Action Plan launched

**\$5.52B**  
Total tax contribution

Process Safety Events  
**0** API Tier 1 Events  
FY2018: 0  
**2** API Tier 2 Events  
FY2018: 4

**1,320**  
Employees with 35% based in regional areas

**40%**  
Female new hires ↑  
FY2018: 32%

**24%**  
Overall female representation in the Company ↑  
FY2018: 22%

**2**  
Significant spills >1,000kg ↓  
FY2018: 3

Aligning our risk management and disclosure approach on climate risks with the TCFD

**70%**  
Employee participation in 1,018 Good Deeds (volunteering)

Manufacture of a new Very Low Sulphur Fuel Oil (VLSFO) at Geelong Refinery

## Sustainability at Viva Energy

We are pleased to present our second in-depth report on sustainability at Viva Energy. Whilst sustainability is not new to us, we consider our sustainability program to be one of continuous improvement and evolution. After our 2018 report (which reported on our first period as a listed company), we took a number of learnings from engagement with our employees, stakeholders and customers, to continue to improve our program and how we report on our progress. Further detail about our approach is provided below, and we welcome engagement on our sustainability agenda, and any feedback on our program and this report.

The objective of our sustainability program is to maintain and grow a resilient and sustainable company that is aligned to our values, strategy and the expectations of our employees, the communities in which we operate, and our external stakeholders.

Our values are the guiding principles which define the way we conduct ourselves. They are reflected in our approach to safety, our responsibility towards the environment and our communities, and our integrity and respect for people. They shape the future of our business through learning and encourage us to be open to new opportunities and ways of doing things.

Our sustainability governance framework is designed to provide effective direction and oversight for our sustainability program. To further support the program and the work of the Board's Sustainability Committee, we have also established a cross-departmental management working group, to coordinate and direct our priorities in this area.

## Our approach to sustainability



## Our sustainability governance structure



## About this report

This is our second sustainability report, it outlines our sustainability focus areas and performance. This report covers assets owned and operated by the Viva Energy Group for the period 1 January to 31 December 2019 (unless otherwise stated) with the exception of the Liberty Oil Holdings business as the full acquisition of the business completed in December 2019. A summary of our sustainability performance data is included on pages 51 to 52 of this Annual Report.

In 2019, we have sought to improve our program by more closely aligning and reporting with reference to the Global Reporting Initiative Standards (GRI Standards) and a reference index to GRI Standards content can be found at the end of this section on pages 53 to 55. In addition, we have aligned our key focus areas with the UN Sustainable Development Goals (UNSDGs) (see page 35) – to provide a wider context to the activities we undertake. This year, in order to further address specific climate risks and opportunities, we have begun to integrate the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) into our business, and our approach to this is outlined on pages 41 to 43 of this Annual Report.

## Our focus areas

In 2019, we completed a materiality assessment to identify and understand sustainability matters that are significant to our key stakeholders and to our on-going business strategy. Our key stakeholders are our shareholders and the wider investment community, our business partners, our customers, our employees and contractors, suppliers, government and regulatory authorities, non-government organisations, and the communities in which we operate. We maintain an open dialogue with our stakeholders through a wide range of formal and informal channels. The focus areas identified through this assessment are set out in the table opposite and addressed further in this report.

**We maintain an open dialogue with our stakeholders through a wide range of formal and informal channels.**

## Determining our focus areas

### 1. Identify Issues of Significance

We identified our internal and external stakeholders and the sustainability matters of concern.

### 2. Identify Sustainability Matters

We compiled a list of sustainability matters based on:

- economic, environmental and social positive and negative impacts and the risks associated along our value chain;
- current and emerging global trends in sustainability; and
- future challenges for our sector.

### 3. Prioritise the Sustainability Matters

We then prioritised the sustainability matters based on how they:

- substantively influence the assessments and decisions of stakeholders; and
- reflect the Group's significant economic, environmental, and social impacts.

### 4. Define Focus Areas

We defined the key sustainability matters and mapped these to the GRI Standards and UN SDGs. We then clustered these priority topics into focus areas, which we use in our sustainability approach and reporting.

| Focus areas                             | Key matters  | Stakeholders   | UN SDGs      |
|---|--|--|--------------|
| <b>Health and safety</b>                | Personal safety<br>Process safety<br>Emergency preparedness<br>Health and wellness   | Employees<br>Contractors<br>Customers<br>Communities<br>Business partners<br>Governments                         |              |
| <b>Environment</b>                      | Spill prevention<br>Waste and water management<br>Land management<br>Air emissions<br>Biodiversity   | Communities<br>Shareholders<br>Customers<br>Employees<br>Governments<br>NGOs                                     | <br><br><br> |
| <b>Climate change and energy</b>        | Climate risks and opportunities<br>Greenhouse gas emissions<br>Energy efficiency<br>Renewable energy   | Communities<br>Employees<br>Governments<br>Shareholders<br>Customers<br>NGOs                                     | <br>         |
| <b>Products and innovation</b>          | Product quality and performance<br>Fuel standards<br>Alternative fuels and mobility  | Employees<br>Communities<br>Customers<br>Suppliers<br>Business partners<br>Industry associations<br>Shareholders | <br><br><br> |
| <b>Our people</b>                       | Diversity and inclusion<br>Development and retention<br>Flexible working<br>Compensation and benefits  | Employees<br>Governments<br>Communities<br>Shareholders  | <br><br><br> |
| <b>Our community</b>                    | Local community engagement<br>Licence to operate<br>Community investment<br>Indigenous participation<br>Socio-economic contribution                                      | Communities<br>Employees<br>Governments<br>Customers   | <br><br>     |
| <b>Ethical conduct and transparency</b> | Compliance<br>Ethics and transparency<br>Anti-corruption and bribery<br>Governance<br>Risk management<br>Responsible procurement<br>Human rights<br>Modern slavery risks | Employees<br>Customers<br>Contractors<br>Shareholders<br>Governments<br>Communities<br>Business partners         |              |
| <b>Economic contribution</b>            | Tax transparency<br>Local wages and contracts<br>Energy security   | Shareholders<br>Employees<br>Contractors<br>Government<br>Communities  | <br>         |

## Health and safety

Safety is fundamental to our business and operating safely is at the heart of everything we do. We believe every incident is preventable and we are committed to pursuing the goal of no harm to people and protecting the environment. We call this 'Goal Zero'.

We strive to achieve this through effective management of both process and personal safety exposures, including proactive health and wellness initiatives. The foundation principle that drives our safety strategy is the belief that our people are the solution and hold the knowledge and expertise to address anything that impacts the safety of our operations. In support of this, our HSSE strategy focuses on leadership, learning and the capability of our people.

To ensure we maintain full visibility of our potential safety risks and our safety performance, we have a structured approach to monitoring a range of health and safety metrics and outcomes. We include our contractors and other key stakeholders in our safety and reporting programs, including transport contractors who deliver product on our behalf. For more information on how we work with contractors to manage safety, visit [www.vivaenergy.com.au/about-us/safety](http://www.vivaenergy.com.au/about-us/safety).

To strengthen our safety performance, we investigate incidents and near misses, implement corrective actions and verify effectiveness of controls. We continually aim to improve our performance by sharing lessons amongst our employees and contractors. Our senior executives and managers empower our employees and contractors to maintain safe, responsible and sustainable working environments and to perform their work without harm to ourselves, the environment, or others at all times. We measure our performance using a range of industry specific indicators, which are defined in our Sustainability performance data (pages 51 to 52).

Our objectives and expectations are set out in our Health, Safety, Security and Environment Policy (HSSE Policy), which is implemented through our HSSE Management System. To view our HSSE Policy, visit our website [www.vivaenergy.com.au/about-us/safety](http://www.vivaenergy.com.au/about-us/safety).

## 2019 employee engagement results

 **94%** of participating employees feel empowered to intervene on unsafe acts

 **95%** of participating employees agree their team is committed to always operating safely

 **97%** of participating employees understand the health and safety risks relevant to their roles

## Our HSSE Management System

Our Health, Safety, Security, and Environment Management System (HSSE MS) sets out our approach, expectations and key controls for managing HSSE risks across all of our business operations.

It applies to all employees and contractors (including transport contractors), and sets out how we report and track our performance across a range of leading and lagging indicators which are regularly published so that all employees are aware of our performance in these areas.

This HSSE MS and supporting assurance programs are maintained by a dedicated team which is independent from business operations to ensure the highest levels of integrity and transparency.

We review the effectiveness of our HSSE MS annually by engaging with our people, reviewing our performance through regular internal and external audit, and learning from our assurance activities.

## Personal safety

Our personal safety programs focus on preventing injuries to our employees, contractors, and other people who could be impacted by our operations. The main exposures are associated with manual handling, construction, maintenance and transportation activities, so our programs are mostly aimed at ensuring we provide safe workplaces, robust operating procedures, and a strong safety culture.

We were disappointed with our safety performance in 2018. In order to drive continuous improvement in personal safety in 2019, and to supplement our existing programs, we worked closely with our employees to introduce new personal safety initiatives at our refinery in Geelong and in our Supply Chain operations. The Advanced Error Reduction Organisation (AERO) program at Geelong Refinery (refer to case study on page 38) places people first, appreciates their diversity and realises their potential through effective ways of working and application of lessons learned. The Goal Zero and Beyond principles that have been applied in our Supply Chain operations also focus on people being the solution and seeking out positives (when things go right), rather than focusing on the negatives (when things go wrong). To support this positive safety philosophy the focus on safety measures has shifted to tracking and communicating more leading indicators.

As a result of these programs, and more general continuous improvement, our personal safety performance has improved during 2019 with work-related recordable injuries reducing by 20% over the year prior, and reducing by more than 50% in our refining operations. There was also a marked reduction in the number of contractor injuries experienced in 2019, with our road transport contractors achieving more than 12 months free of recordable injuries in their operations. This milestone was

reached in August, marking the longest injury-free period ever experienced in this part of our operations; a testament to the strong shared focus on safety that we have been driving with our transport contractors. An increase was observed in our Lost Time Injury Frequency Rate during 2019. This highlights the importance of the ongoing focussed efforts required on these improvement initiatives through 2020 and beyond.

## Personal safety performance

|   | 2019         | 2018  |
|---|--------------|-------|
| <b>Total exposure hours (million)</b>                             | <b>6.376</b> | 6.239 |
| <b>Total Recordable Injuries</b>                                  | <b>29</b>    | 36    |
| Employee  | 13           | 14    |
| Contractor  | 16           | 22    |
| <b>Total Recordable Injury Frequency Rate (per million hours)</b> | <b>4.55</b>  | 5.77  |
| <b>Total Lost Time Injuries</b>                                   | <b>9</b>     | 7     |
| Employee  | 5            | 4     |
| Contractor  | 4            | 3     |
| <b>Total Lost Time Injury Frequency Rate (per million hours)</b>  | <b>1.41</b>  | 1.12  |

## Process safety

Process safety is all about safely storing, processing and transporting hydrocarbon products to minimise the risk of leaks, spills and flammable conditions which can lead to asset damage and harm people. Given that we operate significant and complex infrastructure, including designated Major Hazard Facilities, our asset integrity programs and operating procedures are critical to reducing the potential for loss of containment incidents that can lead to larger scale Process Safety Events.

To manage process safety we apply the Hazards and Effects Management Process (HEMP) across all of our operations. HEMP risk assessments identify Safety Critical Equipment (SCE), including equipment or infrastructure that acts as a barrier (or part of) to prevent the uncontrolled release of a hazard, which may lead to high consequence incident scenarios with the potential to harm assets, people or the environment. Monthly management review of leading and lagging SCE performance indicators allows for the assessment of the effectiveness of SCE performance and completion of maintenance and inspection plans.

A number of our facilities are classified by relevant regulators as Major Hazard Facilities (MHF) and, as such, are subject to operating licences which set out the parameters and conditions under which we are required to operate these facilities. Renewal of these licences typically follows a comprehensive review of the site's safety case by the relevant regulator and also considers past performance and overall safety commitment by the company. During 2019, we successfully renewed our MHF licence at our fuel storage terminal in Brisbane for a period of five years, free of any licence conditions. In 2020, we will undertake the review, update and submission of our safety case for our fuel storage terminal in Sydney in advance of the Clyde MHF licence renewal in 2021.

## Life Saving Rules

Our 12 Life-Saving Rules are not new; in fact they have been part of our organisation since 2009. They were developed in response to the types of incidents experienced across the industry that were most likely to result in serious injury or fatality. The Life Saving Rules set out clear and simple rules for our people and are a critical part of our Goal Zero journey. In 2019, we surveyed our people on how they feel about the Life Saving Rules, and used their feedback to help shape a refreshed communications campaign. All breaches are investigated with our employees and contractors and are tracked to identify performance trends. In 2019 we had 37 recorded breaches.

As part of our commitment to the Life Saving Rules and to provide a safe workplace, random drug and alcohol tests are conducted across our operations. In 2019, over 1400 random drug and alcohol tests of employees and contractors were performed.



- 1 WORK WITH A PERMIT**  
Work with a valid work permit when required
- 2 CONDUCT GAS TESTS**  
Conduct gas tests when required
- 3 VERIFY ISOLATION**  
Verify isolation before work begins and use the specified life-protecting equipment
- 4 CONFINED SPACE AUTHORISATION**  
Obtain authorisation before entering a confined space
- 5 DISABLING EQUIPMENT**  
Obtain authorisation before overriding or disabling safety equipment
- 6 WORKING AT HEIGHTS**  
Protect yourself against a fall when working at heights
- 7 SUSPENDED LOADS**  
Do not walk under a suspended load
- 8 DO NOT SMOKE**  
Do not smoke outside designated smoking areas
- 9 NO ALCOHOL OR DRUGS**  
No alcohol or drugs while working or driving
- 10 NO PHONES OR SPEEDING**  
While driving, do not use your phone and do not exceed speed limits
- 11 WEAR YOUR SEATBELT**  
Wear your seatbelt
- 12 JOURNEY MANAGEMENT**  
Follow prescribed Journey Management Plan

## Sustainability continued

In 2019 we experienced our third consecutive year free of any serious Process Safety Events, which are classified as Tier 1 incidents by the American Petroleum Institute (API Tier 1 incidents). In addition, the number of less serious API Tier 2 events reduced by 50% compared to the previous year's performance. Improvements in the asset inspection programs in both the Retail and Refining businesses have afforded greater oversight and identified opportunities for proactive integrity management. For example, in the Retail business we undertook proactive inspections of Safety Critical Equipment at over 400 retail service stations in order to test critical risk mitigation barriers such as tank overfill protection devices. This is part of an ongoing program for regular scheduled maintenance.

### Process safety performance

|                              | 2019 | 2018 |
|------------------------------|------|------|
| Tier 1 Process Safety Events | 0    | 0    |
| Tier 2 Process Safety Events | 2    | 4    |

### Emergency preparedness

A timely and effective response to an incident, based on robust emergency planning, is the most important factor in limiting injury, potential impact to the environment, our assets, and our licence to operate. We regularly engage and consult with the emergency services organisations, local community and other stakeholders with respect to our emergency response planning, including by running practical exercises with their involvement. Our facilities have emergency response plans and resources in place and all personnel are trained in dealing with an emergency. Our transport contractors have emergency response capability in place to cover any incident that occurs when transporting our products. In 2019, we completed 390 emergency response exercises and abnormal scenario drills across our facilities in support of this proactive approach to emergency preparedness.



### Geelong Refinery AERO program

During 2019, Geelong Refinery launched the AERO program to drive improved safety performance, greater reliability and operational effectiveness. AERO is an advanced error reduction system that helps workers identify their personality tendencies that shape their ways of working and the way they interact with their work environment. AERO training was provided to over 900 people at the refinery, including our onsite contractors, introducing them to a range of mechanisms in support of personal intervention, stepping through tasks in a measured way and seeking further information to clarify complex processes. This training was provided by our own Viva Energy operators and safety leads, which we believe has helped embed and drive engagement. The AERO principles are now being integrated into refinery management systems, such as procedure writing, training and guidance checklists, with a focus on updating critical operational procedures to provide clearer instruction and the implementation of AERO discussions at all pre-start meetings. Geelong Refinery will continue to progress as a proud AERO site in 2020.



### Health and wellness

We believe that keeping our employees and contractors in the workplace fit, healthy and safe, reduces injuries and helps us to be mentally and physically fit for life. We provide programs to improve health and wellbeing, with a focus on optimal performance, both at and outside of work. In 2019 these programs included:

- **Move 4 Life program:** Following the success of the Move 4 Life program across our Aviation business, we extended the program to the rest of our Supply Chain operations, with over 350 participants undertaking the program in 2019. The program aims to dramatically reduce the risk, incidence and severity of sprain and strain injuries in any manual handling environment, as well as building physical resilience into active, ageing or sedentary workforces.
- **Health Risk Assessments:** In 2019, we improved our approach to completing Health Risk Assessments, including greater transparency regarding risks associated with people working on our sites during pre-pregnancy, pregnancy and for the period they are breast feeding.
- **Pre-employment and return to work processes:** To ensure workers are fit to safely complete their normal duties we complete periodic fitness to work assessments. During 2019, over 600 fitness to work assessments were conducted across our operations.

### Environment

We are committed to protecting the environment and minimising any potential environmental impacts arising from our operations or our products. Our operations are governed by environmental regulations, which are managed in accordance with our HSSE MS. For our major facilities, including Geelong Refinery and the Clyde and Gore Bay Terminals, we publicly report on our environmental licence compliance and performance monitoring results. For further information visit [www.vivaenergy.com.au/about-us/environment-and-sustainability](http://www.vivaenergy.com.au/about-us/environment-and-sustainability).

Similar to health and safety, all environmental incidents are recorded and investigated, and where incidents involve breaches of environmental regulations, we also notify the regulators. For 2019, we did not receive any environmental non-compliance sanctions. For a further overview on our 2019 environmental performance, refer to page 77 of the Directors' Report.

### Spill prevention

As with safety, our aim is to ensure that we do not have any uncontrolled release of hydrocarbon products to the environment. We call this 'No Product to Ground'. To meet this objective we implement spill prevention and control measures across all of our operations, including operational procedures, routine surveillance, risk-based inspection programs, and utilising leak detection technology.

For marine spills, we work with the Australia Maritime Safety Authority to maintain a national spill contingency plan. We are also a participating member of Australian Marine Oil Spill Centre, for which we have responsibilities to contribute trained personnel and equipment under mutual aid arrangements and in accordance with the National Plan for Maritime Environmental Emergencies. In 2019, we conducted training for our key personnel in various oil spill response strategies to ensure an effective and timely response to the unlikely event of an oil spill occurring.

We measure our performance by tracking loss of primary containment (LOPC) incidents that occur within the operational boundary of our facilities and road transport operations. An LOPC means that hydrocarbon products have leaked or been spilled from the primary containment (tanks or pipes) that are designed to safely hold the products. In many cases we have secondary containment measures (such as tank bunds) to provide additional protection to the products entering

the environment. The number of LOPC incidents reduced in our road transport operations in 2019 and larger LOPCs at our facilities also reduced. We had two significant spills (greater than 1,000kg) in 2019 following a truck rollover while it was transporting fuel in Darwin and a loss of fuel from an underground storage tank at one of our retail sites in South Australia. Both of these incidents have been investigated and remedial measures put in place.

### Water and waste management

All of our operations are guided by a waste management program, which sets out our approach to avoiding and minimising the generation of waste and ensuring waste is managed appropriately in accordance with regulations (including waste tracking obligations for hazardous waste).

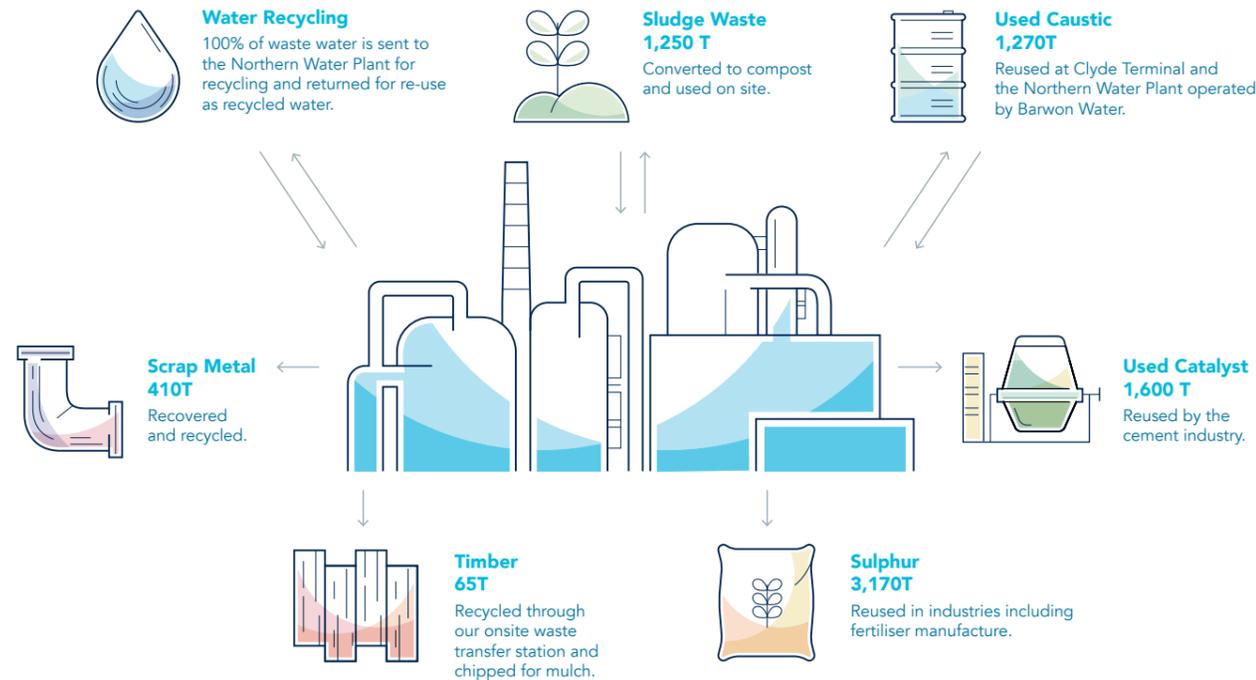
We continue to seek out opportunities for waste recovery and recycling opportunities within our own operations and other industries. Our efforts in 2019 focused on our Lubricants business and the Geelong Refinery. For further information visit [www.vivaenergy.com.au/about-us/environment-and-sustainability](http://www.vivaenergy.com.au/about-us/environment-and-sustainability).

### Australian Packaging Covenant

In 2019, we have continued our commitments with the Australian Packaging Covenant (APC) to optimise our resource recovery of consumer packaging and minimise our packaging throughout our lubricants supply chain. Our current action plan has a duration of three years (2018–2020) and we report on our progress annually. For further information visit [www.vivaenergy.com.au/about-us/environment-and-sustainability](http://www.vivaenergy.com.au/about-us/environment-and-sustainability).

One of our key projects for 2019 included a project for closed loop collaboration with Cleanaway and one of our commercial customers. The project included the trial of collecting and recycling empty oil containers (both the bottle and residual oil) which are not typically accepted for routine recycling programs. The successful trial will enable further collaboration with our retail and trade customers on promoting closed loop solutions for oily containers.

## Geelong Refinery waste recovery efforts in 2019\*



\* This data relates to 1 July 2018 – 30 June 2019.

## Land management

Across our portfolio, we adopt a risk-based approach to contaminated land remediation which is consistent with national standards and undertaken in consultation with environmental regulators where required.

In 2019, we progressed the planning and approvals process for the remediation of the former Clyde Refinery land in Sydney, which is now surplus to ongoing operational requirements. This project has been declared a State Significant Development and an Environmental Impact Statement was submitted to the NSW Department of Planning, Industry and Environment (DPIE) for public exhibition in 2019. We plan to commence remediation of this site in 2020.

## Firefighting foam transition

Per- and poly-fluoroalkyl substances (PFAS) are manufactured chemicals that have been used for more than 50 years in a range of products including firefighting foams, pesticides, waterproofing and stain repellents. Like all industries responsible for flammable fuel storage, we have a history of storing and using PFAS-containing firefighting foams as these have been the recommended best practice for effectively combatting flammable fuel fires.

While the health and ecological effects of PFAS compounds are the subject of ongoing research, we acknowledge the potential risk they pose and the precautionary approach to PFAS management adopted by environmental regulators in Australia. We continue to assess the suitability of transitioning our facilities to C6 and Fluorene-free foams, with focus in 2019 on meeting recent regulatory requirements in both Queensland and South Australia. We also continue to assess for PFAS soil and groundwater contamination across our facilities, using a risk-based approach consistent with national regulatory guidance.

## Air emissions

The manufacturing, storage, supply and use of our fuels causes air emissions such as volatile organic compounds, greenhouse gases (GHG), sulphur oxides (SOx) and nitrogen oxides (NOx). We monitor and report on the air emissions for our facilities according to each site's licence conditions and annually to the National Pollutant Inventory (NPI). Refer to the NPI website for the latest data: [npi.gov.au/npi-data](http://npi.gov.au/npi-data).

In 2019, the Geelong Refinery experienced challenges with the reliability of the site's sulphur treatment processing units which resulted in elevated sulphur dioxide (SO<sub>2</sub>) emissions compared to previous years. Extensive repairs and maintenance were undertaken which returned the sulphur treatment units to reliable service. During this period sulphur dioxide emissions were higher than typical (which can be seen in our reported numbers on page 51), but were closely monitored under a temporary approval issued by EPA Victoria. Unfortunately, during the repair works we experienced an incident where unfavourable conditions meant that members of the immediate community were temporarily impacted by our emissions. We spent time engaging with the community to ensure minimal impact and any immediate concerns were addressed. There were no other environmental or health impacts associated with this disruption.

For information on our GHG emissions, refer to the Climate change and energy section on page 42.



## Habitat restoration at Clyde

As part of our Clyde Terminal conversion project, we completed an ecological risk assessment across the site and confirmed potential areas that presented a suitable habitat for the Green and Golden Bell Frog, which is classified as vulnerable under the *Environment Protection and Biodiversity Act* (EPBC Act). Infectious diseases, habitat loss and invasive species are key threats to the frog populations.

As part of our ongoing efforts to protect the frogs and restore their habitat at our Clyde facility and surrounding wetland areas, we have an action plan which in 2019 included monthly targeted pest control campaigns, regular frog surveys to monitor population and habitat conditions, a wetland improvement plan (including weed removal and planting) and constructing purpose-designed breeding ponds. Monthly surveys of the frog breeding season started in September 2019 with very encouraging results, including the identification of a few frogs and male calling activity. We will continue to implement our action plan into 2020 with further habitat restoration, maintenance and monitoring planned.

## Climate change and energy

### Climate change position

Viva Energy recognises the scientific consensus that anthropogenic impacts have contributed to climate change and we support policies and action that will help Australia meet its carbon reduction commitments in a sustainable way. As a manufacturer and supplier of hydrocarbon derived products, we also recognise that we have an important role to play in supporting the transition to lower carbon energies while at the same time maintaining safe and reliable supply of traditional hydrocarbon fuels that our customers will continue to use. It is therefore critical for the sustainability of our business to understand the opportunities and risks associated with climate change and how to incorporate those into our business strategy.

### Climate risks and opportunities (TCFD)

The Taskforce for Climate-related Financial Disclosure (TCFD) is a voluntary framework for climate-related financial disclosures released in June 2017. It recommends that companies disclose governance and risk-management elements and, where climate-related risks and opportunities are assessed to be material, implications for their strategy as well as metrics and targets.

We support the recommendations of the TCFD and intend to thoughtfully transition our reporting consistent with the TCFD framework. In 2019 we reviewed the TCFD guidance for opportunities to integrate relevant aspects into our risk management and disclosure approach. We worked with external experts to collate initial information across the key elements of the TCFD framework and identified priority actions to progress alignment with the recommendations more fully. We will progress these during 2020.

### Governance

The Board of Directors holds primary responsibility for reviewing and assessing the strategic risks of the business, including climate-related risks. In supporting the Board, the Sustainability Committee specifically considers and manages climate-related matters, as part of its broader HSSE and sustainability oversight, and the Audit and Risk Committee oversees the Group-wide Enterprise Risk Management Framework.

At the executive level, the Chief Operating Officer oversees the activities of the central Environment and Sustainability and HSSE Management and Assurance teams. These teams are both led by national managers and cover environmental (including climate change) related compliance, operational support, systems management and assurance. The Executive General Manager of Legal and External Affairs oversees the governance function of the organisation, including the impacts of climate-related regulatory and policy changes.

At the operational level, environmental and sustainability matters are included in the accountabilities of asset managers across the business, including the Executive General Manager Refining, Supply Chain Operations Manager and other key operational staff.

## Strategy

Although Viva Energy is predominantly engaged in refining, distributing and marketing hydrocarbon products, our business is diversified across many industry sectors and products, with risks and opportunities varying across segments and product lines. The industry sectors we operate in include retail fuels, resources, marine, aviation, transport, industrial and construction markets, and our products include various categories of liquid fuels, bitumen, lubricants and chemicals.

We assess the potential risks and opportunities to each business and our overall strategy by considering the key drivers of supply and demand across sectors and products, including population and economic growth, developments in energies and technology, mobility changes, trends in customer behaviours, and potential impacts of policy and regulatory change. We take account of our core capabilities, assets and partnerships that allow us to leverage opportunities and mitigate risks associated with likely energy transition scenarios.

As discussed in our Operating and Financial Review (page 29), climate change is identified as one of the material business risks that could adversely affect the achievement of Viva Energy's financial prospects in the longer term. Based on our initial climate-specific risk review undertaken in 2019, climate change-related risks include a potential decline in demand for Viva Energy's current range of products due to regulatory, market or technology changes in response to climate change, increased operating costs arising from regulatory responses to reduce GHG emissions (such as a price on carbon), the potential for physical impacts on our assets, and the potential impacts on the profitability of various products and market segments.

In 2020, we will deepen our understanding of the transition paths through the assessment of plausible scenarios, and we will specifically consider the risks, opportunities and mitigation strategies that we expect to arise in the transition of the energy sector. Our 2020 reporting will benefit from this necessary analysis and we will disclose further assessment of risks and opportunities relevant to Viva Energy's business segments, as recommended by the TCFD guidelines.

## Risk management

Our Enterprise Risk Management (ERM) Framework and related risk management policies and procedures are discussed in our Operating and Financial Review. Several climate-related risks are included in the strategic risk register which is communicated to the Audit and Risk Committee, Sustainability Committee and the Board.

Climate change risks are broadly divided into two categories, being:

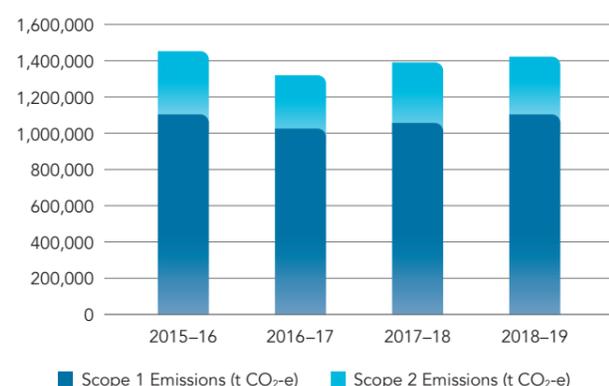
- **Transition risks:** risks associated with an expected shift to a lower-carbon economy; and
- **Physical risks:** risks to our assets or to the operation of our supply chains or assets. These may include acute risks, such as intense weather events or fire risk increased by the change in climate, or chronic risks arising from longer terms shifts in climate and its effects, such as changes in sea levels.

Based on the preliminary risk assessment undertaken in 2019 we do not consider these present material short-term risks to our business. Given the systemic nature of such risks, however, we consider that these should be prudently monitored and assessed, consistent with the strategy outlined above, so that we can best prepare our business for the medium to long term.

## Metrics and targets

We report annually on our greenhouse gas (GHG) emissions, and energy consumption and production under the Australian Government's National Greenhouse and Energy Reporting (NGER) Scheme. The data we report is published each year on the Clean Energy Regulator website: [www.cleanenergyregulator.gov.au/NGER](http://www.cleanenergyregulator.gov.au/NGER).

## Net greenhouse gas emissions



For GHG emissions, we report:

- Scope 1 (direct) emissions arising from our activities such as from fuel combustion, fugitive emissions and other minor emission sources; and
- Scope 2 (indirect) emissions associated with the generation of electricity we purchase for our operations.

NGER reporting includes the facilities and activities of all Viva Energy Group subsidiaries and contractors within our operational control, and is reported on a financial year basis.

For the 2018-19 financial year reporting period, we reported Scope 1 emissions of 1,113,911 tonnes CO<sub>2</sub>-e and Scope 2 emissions of 317,082 tonnes CO<sub>2</sub>-e. Emissions from the Geelong Refinery account for 96% of our total greenhouse gas emissions, and for 2018-19 were below the statutory Safeguard Mechanism emission baseline set for the facility by the Clean Energy Regulator.

Our GHG emissions over the last four reporting periods have remained relatively stable with some minor variation reflecting variable production levels. For example in 2018-19, our Scope 1 emissions increased by around 5% compared with the previous year's data, attributed to a similar relative increase in production and energy consumption at the Geelong Refinery.

## Energy and emissions improvement initiatives

Petroleum refining is inherently an energy and GHG emission intensive activity. Notwithstanding this, we are focussed on improving and addressing the performance of the Geelong Refinery, and in 2019 a multi-disciplinary team at our Geelong Refinery completed a comprehensive energy study which has identified a number of energy efficiency opportunities, including operational improvements and capital projects. These have been prioritised into an Energy Masterplan for the refinery for more detailed feasibility assessment in 2020, and will be incorporated in our capital plans in future years.

In 2019, we also initiated an energy efficiency review for our Supply Chain facilities, including our fuel terminals and depots. Our major facilities in Sydney, being the terminals at Clyde and Gore Bay (which are connected by pipeline), are the largest consumers of energy in our Supply Chain network. The energy consumption of the Clyde and Gore Bay facilities has reduced markedly in recent years, as we converted them from refining operations into import terminal facilities. One of the early learnings from the current energy efficiency review is that opportunities exist to further increase efficiency through the sub-metering of energy intensive equipment such as the operation of pumps. Accordingly, in 2019 we entered into a joint funding contract with the NSW Department of Planning, Industry and Environment for the implementation of a sub-metering and optimisation project at Clyde and Gore Bay, which will be carried out in 2020. From this project we expect to identify improvement opportunities for Clyde and Gore Bay and to leverage similar opportunities across the rest of our Supply Chain facilities.



Mt Gellibrand Wind Farm, located in Winchelsea, Victoria

## Renewable energy for Geelong Refinery

In January 2019, Viva Energy commenced a long-term Power Purchasing Agreement (PPA) with Acciona, the operator of the Mt Gellibrand Wind Farm, one of Victoria's newest wind farms near Colac, 65km west of Geelong. The PPA is a financial arrangement that guarantees pricing of electricity representing approximately a third of the Geelong Refinery's annual electricity needs. We are proud to support a renewable electricity source local to Geelong, with the financial agreement providing a level of certainty on energy pricing to the refinery and Acciona over the long term.

## Products and innovation

As the fuel and energy sector develops with the potential for the transition of fuels and technologies across the economy, we consider it important to our future, and a key opportunity, to participate in the development of emerging technologies, fuels and standards. We do this by being involved in key developments across the industry, understanding the key technological, economic and social diversity of new technologies, participating in industry and governmental forums, and by developing and participating in trials.

## Alternative fuels and mobility

### Biofuels

Biofuels are derived from biomass, including waste and residues of biological origin, as well as from industrial and municipal waste. The two main biofuels currently used in transport in Australia include blends of biofuels containing either biodiesel or ethanol.

Biodiesel is a renewable fuel produced using trans-esterification of fats and oils. In 2019, we supported the restart of Just Biodiesel plant in Barnawartha, located in northern Victoria, by assisting with technical support to ensure robust and sustainable quality standards were met, as well as entering into a three-year domestic offtake agreement to procure biodiesel. A maximum 5% biodiesel blend was supplied to our retail service station network in Victoria and southern NSW during the second half of 2019. With a challenging feedstock environment, we continue to work with Just Biodiesel on supply arrangements. In Queensland, we continue to investigate options for the delivery of biodiesel into the market and in late 2019, we commissioned the biodiesel infrastructure at our Pinkenba Terminal. We plan to offer distribution of a biodiesel blend once market conditions enable a sustainable operation.

Ethanol is a renewable fuel that is blended with unleaded petrol (ULP) to produce E10. Ethanol is derived from plant feedstocks, with most of our ethanol supply sourced from production involving Australian-grown wheat starch and sugar. We currently blend up to 10% ethanol with ULP91 to make E10 and distribute this across our retail service station network in NSW (86% of retail sites) and Queensland (65% of retail sites).

Aside from trials, biojet is not regularly supplied into the Australian aviation fuel market. While the technologies exist to manufacture biojet, the supply of biojet in Australia is not currently commercially or sustainably viable. We continue to work with industry groups, airlines and technology providers to explore opportunities on developing a solution for supplying biojet into the market in the medium to long term.

### Battery and hydrogen electric vehicles

While uptake of electric vehicles in Australia remains low, we are actively seeking opportunities to implement electric vehicle recharging facilities in our retail service station network to support the development of infrastructure and understand customer uptake and behaviour. In 2019, we explored potential partners and suppliers, and have progressed with one partner to pilot a program to install and trial charging facilities at our retail sites. With the first installations planned to roll out in 2020, we will review the program as the market continues to evolve. As the use of electric vehicles increases and charging technology matures, we see particular opportunities for the provision of top-up recharging capability.



We have been members of the Australian Hydrogen Council since its inception in 2017 (formerly known as Hydrogen Mobility Australia), an industry body focused on developing a hydrogen economy in Australia, and as of June 2019, we are also represented on the Board of Directors. The development of hydrogen as a transport fuel is in its early stages. We see opportunities for hydrogen in Australia, and also a natural alignment with our core assets, network and capabilities. In November 2019, the Australian government launched its National Hydrogen Strategy, which we provided input into as an industry, and we will continue to be active in the hydrogen sector going forward.

## Fuel standards

### Very Low Sulphur Fuel Oil 2020

Ahead of the January 2020 mandate, we worked with our customers and partners to prepare for the introduction of a global marine fuel sulphur limit of 0.50% by the International Maritime Organization (IMO), which globally sets the standards for international shipping. The new standard represents a significant reduction from the 3.5% sulphur limit previously in place and demonstrates a clear commitment by the IMO to reduce SOx emissions from the global shipping industry.

In 2019, we introduced a new, Very Low Sulphur Fuel Oil (VLSFO), manufactured at our Geelong Refinery. The new fuel was developed in close consultation with key local customers. We consider VLSFO gives us a product with a competitive advantage following the IMO changes, as it can deliver substantial reductions in SOx emissions and increased fuel efficiency compared to marine diesel while being compatible with ship engines designed to operate on high-sulphur fuel oil.

We will also continue to offer high sulphur (3.5%) in key bunker ports for ships with exhaust gas cleaning systems, which extract the sulphur after use, consistent with IMO regulations.

### Ultra-low sulphur gasoline 2027

We continue to support the improvement in fuels standards in Australia, which now includes the introduction of the 10ppm sulphur level in gasoline. There is significant capital investment required to achieve these standards, which come into force from mid-2027. We have commenced our planning to assess the capability and viability of manufacturing these fuels at Geelong Refinery.

## Driving innovation

We continue to look for ways that innovation can solve challenges and improve outcomes for our customers and within our business. Innovation can extend from improvements in the activities that we do every day, to looking at new opportunities and technologies such as renewable and alternative fuels. In 2019, we made the Financial Review BOSS list of Australia's Most Innovative Companies for the third consecutive year, being awarded 5th in the Most Innovative Company in the 'Manufacturing and Consumer Goods' category. For more on innovation visit [www.vivaenergy.com.au/driven/innovation](http://www.vivaenergy.com.au/driven/innovation).



## Low Aromatic Fuel

Viva Energy is proud to have supplied around 40 million litres per annum of Low Aromatic Fuel (LAF) to the northern half of Australia (targeting regions across the Northern Territory, East Kimberley, Cape York, the Gulf of Carpentaria and Central Australia).

LAF has been specially designed to contain lower levels of the aromatic compounds such as benzene, toluene and xylene. Replacing regular unleaded fuel with LAF is helping to reduce petrol sniffing in communities where it has been identified as a problem. The rollout of LAF is benefiting these communities through better health, safer communities, helping adults become more job ready and helping more children get to school and learn.

Recent research conducted by the University of Queensland found that petrol sniffing has reduced by up to 95 per cent in communities with Low Aromatic Fuel that have been surveyed since 2005.

As part of our community program, we also support indigenous programs that are targeted at addressing issues of substance misuse (including petrol sniffing).

## Our people

Our ability to attract, motivate and develop high calibre people enables us to deliver outstanding business results today and into the future.

## Culture and engagement

We regularly seek feedback from our employees as to what we are doing well and what can be improved. This is done through both structured surveys and informal engagement, where employees are encouraged to contribute their thoughts and insights at all levels of the organisation and provide honest feedback on how we are performing across a range of key areas. We work hard to address the valuable feedback we receive, to help drive a culture where people can be their best.

## Development and retention

Our success in delivery of our strategic goals depends on our employees having the necessary skills, experiences, capabilities and opportunities to undertake their roles. We support people and their development in many ways to ensure we have the right people in the right roles with the right skills. Our employees are required to complete mandatory training to ensure their competency for their roles, and we provide a range of personal development opportunities. We measure our progress in our people development and retention through regular individual development plans and annual performance reviews.

We continue to use external globally recognised frameworks to measure and improve our collective leadership effectiveness. We support the development of leaders through our Melbourne Business School and Female Leaders program, with 75 leaders participating in these programs during 2019. Our programs focus on developing outstanding leaders who are equipped to coach and build highly engaged teams.

## Diversity and inclusion

We are committed to ensuring we provide an inclusive and diverse workplace where our people can thrive, develop and contribute to their full potential. In our experience, diversity and inclusion promotes different views and ways of doing things, improved safety outcomes, increased productivity and better wellbeing.

Our strategy is to achieve a more diverse and inclusive workplace, which includes a strong focus on gender diversity, Indigenous employment and offering flexible work practices. To view our Diversity Policy, visit [investor.vivaenergy.com.au/investor-centre](http://investor.vivaenergy.com.au/investor-centre).

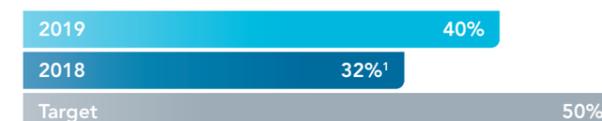
## 2019-20 Employer of Choice for Gender Equality for the third consecutive year.



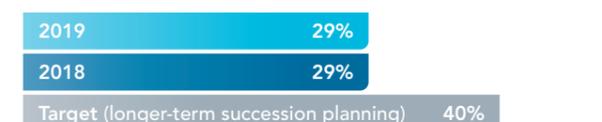
## Female representation in the Senior Leadership Group



## Female new hires



## Female representation on the Board



## Overall female representation



## Female promotions



1. In our 2018 Annual Report we reported this figure as 42%. Due to a revised approach in calculating this data, the 2018 figure has since been corrected to include new hires based on the hire date only (excluding contracts awarded but not necessarily started) for the full year. This is also reflected in our sustainability performance data table on page 51.

## Gender diversity

Our objective is to improve the representation of women in all roles and levels in our business and to ensure that they are paid equally with their male counterparts, as measured by total remuneration. We measure, track and report progress against gender diversity targets. This supports our ability to attract and retain the best possible talent and to continue to build a high-performance culture.

Our commitment to gender equality has been nationally recognised, with Viva Energy cited by the Workplace Gender Equality Agency as a 2019-20 Employer of Choice for Gender Equality for the third consecutive year. Refer to [www.wgea.gov.au](http://www.wgea.gov.au) for our latest reported results.

On 1 December 2019 Viva Energy completed its acquisition of Liberty Oil Holdings which included 155 staff (129 male and 26 female). All data, percentages and targets for 2019 excludes Liberty Oil Holdings.

## Indigenous participation

Our vision for reconciliation is strongly aligned with our overarching purpose, which is to help people reach their destination. We were proud to launch our inaugural Reconciliation Action Plan (RAP) in 2019. Our RAP builds on the existing work of our Indigenous Participation Plan over the last four years and increases our focus on Indigenous employment and celebration of Indigenous culture and events.

We aim to provide employment opportunities that contribute to sustainable social and economic benefits for Indigenous peoples. Through our continued involvement in the Career Trackers Internship Program we provided development and job opportunities for five Indigenous students in 2019.

## Flexible working

We continue to embed flexibility in the ways we work by offering a broad range of working options and benefits to suit our people. These include part-time, virtual working, job-share, time-in-lieu, carer's leave, domestic violence leave and unpaid leave. In 2019, we provided additional training to help team managers promote flexible working and embed a flexible working culture within their team. We regularly seek feedback from our people on flexible working and continue to embed our flexible working policy.

We offer the Grace Papers program for our employees during pregnancy, parental leave and return to work. Our paid 'Keeping in Touch' program ensures that employees who are on extended parental leave can maintain their connection with the business. In 2019, we also introduced the option for employees to purchase additional annual leave.

In 2017, we were proud to be the first company in Australia to introduce a full-time 12% superannuation payment for employees (male and female) on parental leave and during part-time work periods, for up to five years from the child's birth – this is a program we maintain and continue to promote in our business and externally.

**We continue to embed flexibility in the ways we work by offering a broad range of working options and benefits to suit our people.**



## Supporting part-time operators

Driven by our aspiration to increase the number of women in traditionally male dominated areas, we recently recruited 14 part-time female operators at the Geelong Refinery.

Our advertising campaign and recruitment processes highlighted the ability that people would have to manage commitments outside of work as well as our leading parental leave and above market superannuation.

The first group of part-time Geelong Refinery operators graduated from their training program in October 2019 and are now qualified operators juggling the demands of their role and managing their job-share arrangements. The role and the ability to work part-time enables these operators to have a fulfilling career and meet their commitments outside of work.

By successfully challenging the assumption that operational roles must be performed full-time, we have been able to bring in a diverse mix of people with new and different perspectives and ideas as well as improving the diversity of thought and exposing the existing workforce to new ways of working.



## Our community

We are committed to building strong relationships and making a positive difference in local communities across our national operating footprint. We believe this is important for employee attraction and engagement, and also meets the expectation of the broader community, our stakeholders, customers and investors.

## Local community engagement

We strive to be a good neighbour and member of the local communities where we operate. We recognise our operations within local communities have the potential to impact on them. Regular dialogue and engagement with our community stakeholders is essential to maintaining our social licence to operate. To minimise our impacts, we maintain active and regular community engagements for our larger facilities, with specific community engagement activities and information on our website for Geelong Refinery, and our terminals at Clyde, Parramatta, Gore Bay, Newport and Pinkenba. For more information on our local community engagement refer to our website [www.vivaenergy.com.au/operations](http://www.vivaenergy.com.au/operations).

## Our Geelong community

Our Geelong Refinery is our largest operation, employing more than 700 people. Our refinery and associated operations have been part of the local Geelong community since 1954 and proudly supplies more than half of Victoria's fuel needs and injects more than \$200M each year into the local economy through wages and services.

## National Aboriginal Sporting Chance Academy (NASCA)

NASCA operates a program in partnership with Airds High School in Campbelltown. The program, which opened for enrolment in August 2018, provides valuable support via a Resilience Program for 80–100 young Indigenous students aged 12–18. In partnership with Viva Energy, NASCA is committed to bringing positive social change for young people in Airds over the three-year partnership.

We have partnerships with a range of local community organisations in Geelong including Northern Futures and the Geelong Football Club – sponsoring their inaugural AFL Womens team and their NextGeneration Academy. We also engage social enterprise Gen U to run the refinery cafeteria and provide gardening services.

As sport plays a big role in the Geelong region with AFL, soccer, netball and cricket being the highest participation sports, we support 10 local clubs to assist people (particularly children) participate. We further support the local sporting community through our Club Legends Award, which rewards and celebrates unsung sporting volunteers in the Geelong region.

## Community program

Our community goal is to be valued by our people, local communities and customers for our genuine efforts towards positive social impact. We are committed to giving back to our local communities and in doing so, helping them reach their destination. Our community program 2016–2019 focused on community projects that support mental health, Indigenous participation and substance misuse. We do this with the support of our people, our communities, and our business practices. In 2020 we will continue to evolve our community program in line with our business strategy and leverage our existing partnerships.

## Highlights for 2019



**1,018 Good Deeds** by 843 employees (representing 70% of our workforce), raising \$22,000.



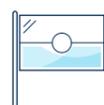
Our employees **raised \$382,448** through Double My Donation and Team Fundraising (includes Viva Energy matching).



**Geelong Football Club** Premier partner of the inaugural Geelong Football Club's AFLW team.



**1,132 young people** supported by Viva Energy programs.



**Reconciliation Action Plan** Launched our inaugural Reconciliation Action Plan, aiming to foster reconciliation with Indigenous peoples through our activities, services and programs.



**\$60,000+** donated to support a series of natural disasters.

## Our people

We create simple and inspiring ways for our employees to contribute to positive change

### Double My Donation to community partners

217 employees have donated \$210,613 including Viva Energy's contribution.

### Employee led

Our Community Ambassadors have organised events offering 1,979 participation opportunities for employees.

### Team Fundraising

\$171,835 raised through 28 team fundraising activities, including Viva Energy's contribution.

### Indigenous activities

Around 700 employees were involved in activities to deepen our cultural awareness and competency.

### Role Model Grants

Grants to the value of \$115,207 were issued to 12 local community organisations.

## Our communities

We support local projects that foster positive role models to address significant community challenges

### Cathy Freeman Foundation (CFF)

Viva Energy has a four year partnership with CFF. This year, the partnership has supported 77 young Indigenous people from four communities to attend Horizons camps designed to increase confidence and goal setting skills. 233 of our people have participated in CFF activities.

### National Aboriginal Sporting Chance Academy (NASCA)

NASCA delivered 1,106 hours of activities, supporting 98 students in Western Sydney with the support of Viva Energy's partnership.

### headspace

Annual funding of \$200,000 allowed this partnership to provide 253 training and upskilling opportunities for 924 young people across participating centres and headspace Youth National Reference Group; as well as 134 community events.

### CAAPS

The Council for Aboriginal Alcohol Program Services (CAAPS) numeracy and literacy program has supported 28 school aged residents recovering from substance misuse issues. This involved over 932 hours of numeracy and literacy support.

### Koorie Heritage Trust

Viva Energy's funding supported the recording of five oral histories, delivery of 10 school holiday programs and annual events including the Koorie Art Show and Koorie Krismas.

### Northern Futures

Annual funding of \$40,000 has supported 83 people to move directly into employment and achieved an 87% skilled training completion rate.

### Support for grass roots sports

10 local Geelong sports clubs were sponsored. More than \$50,000 in prize money awarded for our Club Legends Award.

## Our business

We use our business capabilities to help create long-term positive change

### Indigenous community projects

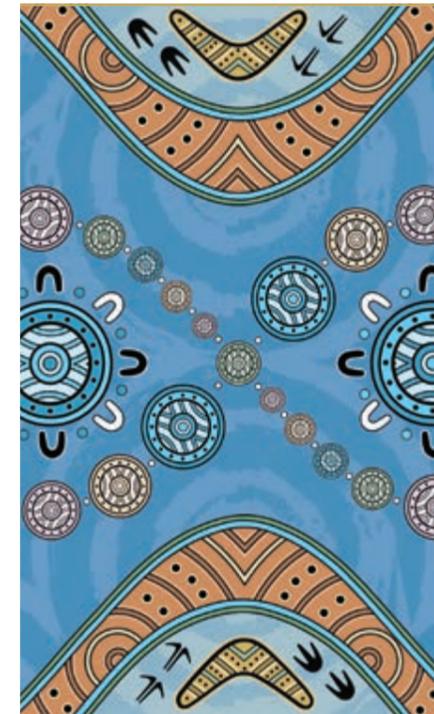
As part of our contract to supply Low Aromatic Fuel into northern Australia, we are committed to supporting Indigenous community projects.

### Member of Supply Nation

Our membership provides options to support Indigenous businesses.

### Customers

Working collaboratively with our customers to support local communities where we both operate.



## Inaugural Reconciliation Action Plan

As a major Australian energy company, we feel a deep commitment to working with Indigenous Australians and respecting their cultural and spiritual connections to the land and waters where we operate. In 2019 we launched our inaugural Reconciliation Action Plan (RAP) 2019-2021, which builds on our Company's Indigenous participation program, which has been operating for the last three years.

Our vision for reconciliation is a nation where Indigenous peoples have equal and equitable opportunities, and where business and society are enriched by their cultural diversity. This is aligned with our Company's broader purpose of 'helping people reach their destinations'.

Our RAP outlines the Company's commitments towards reconciliation over the next two years. It will guide our approach to Indigenous peoples and will be overseen by a RAP advisory group, with representation by senior members of our organisation. The key outputs as outlined in our RAP include an increased focus on Indigenous employment, acknowledgement and celebration of Indigenous events, staff engagement and increased cultural awareness activities. View and download our RAP at [vivaenergy.com.au/RAP](http://vivaenergy.com.au/RAP).

Our RAP includes the use of artwork titled 'Wa-ngal yalinguth, yalingbu, yirramboi' (Woi-wurrung language), created by artist Dixon Patten, a proud Yorta Yorta and Gonnai man who was born and raised in Melbourne.

## Ethical conduct and transparency

We are committed to observing the highest standard of corporate practice. In 2019, the Board approved a refreshed statement of Company Values. Led by a working group of senior leaders, we developed our Values by inviting over 120 employees across the business to participate in our employee focus groups. The working group listened to and captured insights into who we are and what's important to us. The key themes and insights were then used in the development and articulation of our Values: Integrity, Responsibility, Curiosity, Commitment and Respect. These Values reflect what Viva Energy stands for and underpin our business principles and behaviours.

Viva Energy has long-standing Business Principles that reflect our core values and guide the conduct and operations of our Company. We also have a Code of Conduct, which outlines how we expect our employees, officers and Directors to behave and conduct themselves in the workplace.

The Board has also adopted the following policies:

- Anti-Bribery and Corruption Policy;
- Whistleblower Policy;
- Securities Trading Policy;
- Diversity Policy;
- Disclosure Policy; and
- Shareholder Communications Policy.

All employees are required to complete awareness training on these policies, with more advanced training provided depending on their role within the organisation. You can find more information on the above at [investor.vivaenergy.com.au/investor-centre](http://investor.vivaenergy.com.au/investor-centre).

## Modern Slavery Act

Modern slavery is a common umbrella term used to describe a range of extreme labour rights abuses, including slavery, servitude, human trafficking and forced or compulsory labour. Procuring goods ethically is not only a socially responsible business practice, it is now a regulatory requirement in Australia, following the enacting of the Commonwealth's *Modern Slavery Act 2018*.

In 2019 we reviewed our own labour practices and initiated a review of our supply chain. We will be providing a Modern Slavery Statement in accordance with our obligations to report under the legislation in 2021.



## Economic contribution

We support the Australian economy through the national scope of our operations, the products we supply, the employment we generate, the local suppliers we support, the returns we provide to investors and the taxes we pay. We aim to maximise the benefits and minimise any negative impacts of our business operations.

We own and operate the Geelong Refinery, one of only four refineries in Australia. It supplies over 10% of Australia's fuel, and more than 50% of all the fuel used in Victoria. Employing over 700 people and injecting more than \$200M into the local economy through wages and services, the Geelong Refinery is a vital part of Australia's energy solution. The critical investments and improvements we continue to make in major maintenance, reliability and safety improvements and increasing storage capacity will ensure it will continue to be an important part of local manufacturing for years to come.

With the significant scope of our operations, including the breadth of our infrastructure (including the Refinery, our terminals and pipelines, and our supply business), we are a key contributor to the energy security position of Australia, and particularly in liquid fuels and lubricants. This security underpins every sector of the Australian economy, and we take our role in delivering a reliable supply seriously.

## Tax contributions

We are committed to delivering transparency and providing communities with a clear understanding of the tax contributions we make and collect for the Australian economy. In 2016, Viva Energy adopted the Voluntary Tax Transparency Code, under which it makes public disclosures of its tax position, in addition to the requirements under its financial statements. For further information, refer to our 2019 Taxes Paid Report.

| Total tax contribution        | A\$M           |
|-------------------------------|----------------|
| Income tax                    | 26.2           |
| Fuel excise                   | 4,296.9        |
| Customs duties                | 14.2           |
| Payroll tax                   | 9.0            |
| Fringe benefits tax           | 0.8            |
| Land tax                      | 14.2           |
| GST                           | 1,090.8        |
| PAYG withholding              | 67.3           |
| <b>Total tax contribution</b> | <b>5,519.4</b> |

## Supporting Australia's economy

Annually invests **\$1B+** in local wages and services.

**\$5.52B**  
Total tax contribution.

Over **1,320** strong Australian workforce **35%** based in regional areas.

On average, we re-fuel **1.74M** trucks, buses, cars and motorcycles every week across the Alliance network

Network of **23 terminals** and **52 airports** and airfields across Australia.

**1.1B** litres of storage capacity.

Leading supplier for **lubricants and diesel** in the resource market.

### Viva Energy supplies:

Approximately **25%** of Australia's fuel needs.

National network of nearly **1,300** retail service stations

Approximately **40%** of the marine fuel oil market.

Approximately **37%** of jet fuel nationally.

### The Geelong Refinery

Proudly supporting local manufacturing at the Geelong Refinery – **1 of 4 refineries** in Australia.

### Only manufacturer in Australia of

avgas solvents bitumen

Manufactures **Low Aromatic Fuel** for supply into NT, QLD and WA.

**700+** people (employees and contractors) work at the Refinery.

Supplies **90%** of marine fuels for Victorian commercial shipping and Spirit of Tasmania.

**50%+** of the Port of Geelong's trade.

## Sustainability performance data\*

|   | FY17      | FY18      | FY19             | FY18/19 Δ#        |
|---|-----------|-----------|------------------|-------------------|
| <b>Health and safety<sup>1</sup></b>  |           |           |                  |                   |
| <b>Personal safety<sup>2</sup></b>  |           |           |                  |                   |
| Total Exposure Hours (million)  | 5.55      | 6.24      | <b>6.38</b>      | <b>+0.14</b>      |
| Total Fatalities and Permanent Disability                                   | 0         | 1         | <b>0</b>         | <b>-1</b>         |
| Total Lost Time Injuries / Frequency Rate (per million hours)               | 5 / 0.9   | 7 / 1.12  | <b>9 / 1.41</b>  | <b>+2 / +0.29</b> |
| Employees   | 4         | 4         | <b>5</b>         | <b>+1</b>         |
| Contractor  | 1         | 3         | <b>4</b>         | <b>+1</b>         |
| Total Recordable Injuries <sup>3</sup> / Frequency Rate (per million hours) | 25 / 4.51 | 36 / 5.77 | <b>29 / 4.55</b> | <b>-7 / -1.22</b> |
| Employee  | 12        | 14        | <b>13</b>        | <b>-1</b>         |
| Contractor  | 13        | 22        | <b>16</b>        | <b>-6</b>         |
| Total High Potential Near Miss Incidents <sup>4</sup>                       | 69        | 87        | <b>89</b>        | <b>+2</b>         |
| Reported Total Life Saving Rule Breaches                                    | 28        | 32        | <b>37</b>        | <b>+5</b>         |
| <b>Process safety</b>   |           |           |                  |                   |
| Total Tier 1 / Tier 2 Process Safety Events <sup>5</sup>                    | 0 / 3     | 0 / 4     | <b>0 / 2</b>     | <b>0 / -2</b>     |
| <b>Environment</b>  |           |           |                  |                   |
| Environmental Non-compliance Sanctions <sup>6</sup>                         | 2         | 0         | <b>0</b>         | <b>-</b>          |
| <b>Spills</b>   |           |           |                  |                   |
| Loss of Primary Containment (LOPC) > 100kg <sup>7</sup>                     | 26        | 29        | <b>29</b>        | <b>-</b>          |
| Spills to Environment > 100kg <sup>8</sup>                                  | 4         | 3         | <b>3</b>         | <b>-</b>          |
| Significant Spills <sup>9</sup>   | 4         | 3         | <b>2</b>         | <b>-1</b>         |
| <b>Significant air emissions – Geelong Refinery<sup>10</sup></b>            |           |           |                  |                   |
| Volatile Organic Compounds (kg)   | 679,438   | 632,076   | <b>565,700</b>   | <b>-10.5%</b>     |
| NOx (kg)  | 546,251   | 542,949   | <b>472,172</b>   | <b>+13.0%</b>     |
| SOx (kg)  | 1,685,843 | 1,702,719 | <b>3,164,355</b> | <b>+85.8%</b>     |
| <b>Water consumption – Geelong Refinery<sup>10</sup></b>                    |           |           |                  |                   |
| Potable water consumption (ML)  | 592       | 366       | <b>241</b>       | <b>-34.2%</b>     |
| Sea water consumption (ML)  | 100,076   | 118,192   | <b>107,299</b>   | <b>-9.2%</b>      |
| Recycled water consumption (ML)   | 1,191     | 1,179     | <b>1,197</b>     | <b>+1.5%</b>      |
| <b>Waste – Geelong Refinery<sup>10</sup></b>                                |           |           |                  |                   |
| Total Hazardous Waste generated (Tonnes)                                    | 463,817   | 589,439   | <b>550,969</b>   | <b>-6.5%</b>      |
| Hazardous Waste diverted from landfill (Tonnes)                             | 463,331   | 588,576   | <b>550,066</b>   | <b>-6.5%</b>      |
| Total Non-hazardous Waste generated (Tonnes)                                | 1,693     | 2,495     | <b>1,911</b>     | <b>-23.4%</b>     |
| Non-hazardous Waste diverted from landfill (Tonnes)                         | 1,504     | 2,232     | <b>1,683</b>     | <b>-20.6%</b>     |
| <b>Climate change and energy</b>  |           |           |                  |                   |
| <b>Greenhouse gas (GHG) emissions<sup>11</sup></b>                          |           |           |                  |                   |
| Total GHG emissions (tCO <sub>2</sub> -e)                                   | 1,328,985 | 1,392,568 | <b>1,430,837</b> | <b>+2.7%</b>      |
| Total Scope 1 (tCO <sub>2</sub> -e)   | 1,032,422 | 1,061,632 | <b>1,113,911</b> | <b>+4.9%</b>      |
| Refining (tCO <sub>2</sub> -e)  | 1,020,905 | 1,050,846 | <b>1,101,920</b> | <b>+4.9%</b>      |
| Other (tCO <sub>2</sub> -e)   | 11,517    | 10,786    | <b>11,991</b>    | <b>+11.2%</b>     |

|   | FY17        | FY18                  | FY19        | FY18/19 Δ# |
|---|-------------|-----------------------|-------------|------------|
| Total Scope 2 (tCO <sub>2</sub> -e)                             | 296,563     | 330,936               | 317,082     | -4.2%      |
| Refining (tCO <sub>2</sub> -e)                                  | 258,586     | 290,158               | 276,423     | -4.7%      |
| Other (tCO <sub>2</sub> -e)                                     | 37,977      | 40,778                | 40,659      | -0.3%      |
| <b>Energy</b>   |             |                       |             |            |
| Total energy consumed (GJ)                                      | 252,921,300 | 257,597,649           | 273,422,163 | +6.1%      |
| Refining  | 252,546,619 | 257,229,974           | 273,059,170 | +6.2%      |
| Other   | 374,681     | 367,675               | 362,993     | -1.3%      |
| <b>Our people</b>   |             |                       |             |            |
| Total Employees   | NR          | 1273                  | 1320        | +47        |
| Gender Split (Male / Female) (%)                                | NR          | 78 / 22               | 76 / 24     | -2 / +2    |
| Total Employees in permanent full-time roles                    | NR          | 1126                  | 1139        | +13        |
| Employees in permanent full-time roles (Male / Female) (%)      | NR          | 81 / 19               | 81 / 19     | -          |
| Total Employees in permanent part-time roles                    | NR          | 100                   | 111         | +11        |
| Employees in permanent part-time roles (Male / Female) (%)      | NR          | 35 / 65               | 38 / 62     | +3 / -3    |
| Total Employees in full-time fixed term contracts               | NR          | 22                    | 35          | +13        |
| Employees in full-time fixed term contracts (Male / Female) (%) | NR          | 86 / 14               | 69 / 31     | -17 / +17  |
| Total Employees in part-time fixed term contracts               | NR          | 1                     | 13          | +12        |
| Employees in part-time fixed term contracts (Male / Female) (%) | NR          | 0 / 100               | 0 / 100     | -          |
| Total Employees as casuals                                      | NR          | 24                    | 22          | -2         |
| Employees as casuals (Male / Female) (%)                        | NR          | 100 / 0               | 100 / 0     | -          |
| Voluntary Employee turnover (%)                                 | NR          | 5                     | 6           | +1         |
| Voluntary Employee turnover (Male / Female) (%)                 | NR          | 74 / 26               | 67 / 33     | -7 / +7    |
| Board of Directors (Male / Female) (%)                          | NR          | 71 / 29               | 71 / 29     | -          |
| Senior Leadership Group (Male / Female) (%)                     | NR          | 59 / 41               | 61 / 39     | +2 / -2    |
| New Hires (Male / Female) (%)                                   | NR          | 68 / 32 <sup>12</sup> | 60 / 40     | -8 / +8    |
| Internal Promotions (Male / Female) (%)                         | NR          | 76 / 24               | 74 / 26     | -2 / +2    |
| Total Employees (Liberty Oil Holdings)                          | NR          | NR                    | 155         | -          |
| Gender Split (Liberty Oil Holdings) (Male / Female) (%)         | NR          | NR                    | 83 / 17     | -          |
| <b>Our community</b>  |             |                       |             |            |
| Good Deeds completed  | NR          | 1054                  | 1018        | -36        |

\* All data reported is for the FY2019 unless otherwise stated. All data excludes Liberty Oil Holdings (unless otherwise stated) as the full acquisition of the business completed in December 2019.

# For selected Environment and Climate Change & Energy parameters, variation in performance between 2018 and 2019 is expressed as a percentage to facilitate the comparison of data.

- Totals used include both employees and contractors
- Personal Safety Criteria definitions used are in line with US OSHA guidelines. Totals include Refining, Commercial, Retail Fuels and Marketing, Supply, Corporate Functions and Overheads.
- Incidents that include Medical Treatment Case, Restricted Work Case, Lost Time Injuries and Fatalities.
- Incidents that can result in injury, illness, damage to Assets, the environment or Company reputation, or it can be a Near Miss. This can also include Life Saving Rules breaches where the potential consequence of major injury or greater was highly likely, or First Aid Cases that could have been Total Recordable Injury in slightly different conditions.
- Tier 1 and Tier 2 Process Safety Event is defined as per API RP 754.
- Number of environmental non-compliance sanctions, which occurred in the reporting year and resulted in the issue of a fine, prosecution, enforceable undertaking or impact on licence to operate. This number does not include any pending proceedings.

- Incidents resulting in the uncontrolled or unplanned release of material from a process or storage that serves as primary containment. This number also includes Spills to the environment >100kg; and Significant Spills.
- Number of incidents resulting in the release of material to the environment without secondary containment. All spills are also counted as LOPC incidents.
- Number of incidents for the uncontrolled or unplanned release of material greater than 1,000kg to the natural environment without secondary containment.
- Geelong Refinery accounts for the majority of our significant environmental emissions for the Group. The data is aligned with the NPI reporting period 1 July – 30 June for the reported year. All emission data for the Group is submitted to the National Pollutant Inventory and available at [npi.gov.au/npi-data](http://npi.gov.au/npi-data).
- Scope 1 and Scope 2 GHG emission estimates are prepared in accordance with the *National Greenhouse and Energy Reporting Act* (NGER) for the reporting period 1 July – 30 June. Other includes data for Commercial, Retail Fuels and Marketing, Supply, Corporate Functions and Overheads.
- In our 2018 Annual Report we reported this figure as 42%. Due to a revised approach in calculating this data, the 2018 figure has since been corrected to include new hires based on the hire date only (excluding contracts awarded but not necessarily started) for the FY.

## GRI Content Index

| GRI Standard                  | Disclosure title   | Reference   |
|-------------------------------|--|---|
| <b>General disclosures</b>    |  |   |
| <b>Organisational profile</b> |  |   |
| 102-1                         | Name of the organisation                                     | Viva Energy Group Limited   |
| 102-2                         | Activities, brands, products, and services                   | About us – Annual Report (page 4)   |
| 102-3                         | Location of headquarters                                     | Level 16, 720 Bourke Street, Docklands Vic 3008   |
| 102-4                         | Location of operations                                       | About us – Annual Report (page 4)   |
| 102-5                         | Ownership and legal form                                     | About this Annual Report – Annual Report (page 2)   |
| 102-6                         | Markets served   | About this Annual Report – Annual Report (page 2)   |
| 102-7                         | Scale of the organisation                                    | About this Annual Report – Annual Report (page 2)   |
| 102-8                         | Information on employees and other workers                   | Our people – Annual Report (page 45)<br>Sustainability performance data – Annual Report (page 52)   |
| 102-9                         | Supply chain   | About us – Annual Report (page 4)   |
| 102-10                        | Significant changes to the organisation and its supply chain | Operating and financial review – Annual Report (page 14)  |
| 102-11                        | Precautionary Principle or approach                          | 2019 Corporate Governance Statement – <a href="http://investor.vivaenergy.com.au/investor-centre">investor.vivaenergy.com.au/investor-centre</a>  |
| 102-12                        | External initiatives   | Viva Energy has used the Global Reporting Initiative Reporting framework for sustainability reporting guidance  |
| 102-13                        | Membership of associations                                   | Viva Energy participates in and engages with a number of local, national and global organisations including Reconciliation Australia, Workplace Gender Equality Agency, Australian Hydrogen Council, Australian Industry Greenhouse Network, Australian Institute of Petroleum, Cooperative Research Centre CARE, LastFire, Maritime Industry Australia Limited |
| <b>Strategy</b>               |  |   |
| 102-14                        | Statement from senior decision-maker                         | Chairman and Chief Executive Officer's report – Annual Report (page 6)  |
| <b>Governance</b>             |  |   |
| 102-16                        | Values, principles, standards, and norms of behaviour        | Ethical conduct and transparency – Annual Report (page 49)<br>2019 Corporate Governance Statement – <a href="http://investor.vivaenergy.com.au/investor-centre">investor.vivaenergy.com.au/investor-centre</a>  |
| 102-18                        | Governance structure   | Sustainability at Viva Energy – Annual Report (pages 33 to 35)  |
| <b>Stakeholder engagement</b> |  |   |
| 102-40                        | List of stakeholder groups                                   | Sustainability at Viva Energy – Annual Report (pages 33 to 35)  |
| 102-42                        | Identifying and selecting stakeholders                       | Sustainability at Viva Energy – Annual Report (pages 33 to 35)  |
| 102-43                        | Approach to stakeholder engagement                           | Sustainability at Viva Energy – Annual Report (pages 33 to 35)  |
| 102-44                        | Key topics and concerns raised                               | Sustainability at Viva Energy – Annual Report (pages 33 to 35)  |

| GRI Standard              | Disclosure title   | Reference  |
|---------------------------|--|--|
| <b>Reporting practice</b> |  |  |
| 102-45                    | Entities included in the consolidated financial statements | About this Annual Report – Annual Report (page 2)                                      |
| 102-46                    | Defining report content and topic boundaries               | Sustainability at Viva Energy – Annual Report (pages 33 to 35)                         |
| 102-47                    | List of material topics                                    | Sustainability at Viva Energy – Annual Report (pages 33 to 35)                         |
| 102-48                    | Restatements of information                                | This is Viva Energy's first report referencing the GRI Standards                       |
| 102-49                    | Changes in reporting                                       | This is Viva Energy's first report referencing the GRI Standards                       |
| 102-50                    | Reporting period   | Unless otherwise indicated, all disclosures are for 1 January 2019 to 31 December 2019 |
| 102-51                    | Date of most recent report                                 | This is Viva Energy's first report using the GRI Standards                             |
| 102-52                    | Reporting cycle  | Annual   |
| 102-53                    | Contact point for questions regarding the report           | Corporate directory – Annual Report (page 149)   |
| 102-54                    | Claims of reporting in accordance with the GRI Standards   | Sustainability at Viva Energy – Annual Report (page 33)                                |
| 102-55                    | GRI content index  | Annual Report (pages 53 to 55)   |
| 102-56                    | External assurance   | We have not sought external assurance over GRI Standard disclosures in this report     |

## Standard disclosures

### Economic contribution

|       |  |   |
|-------|--|---|
| 201-1 | Direct economic value generated and distributed                                | Operating and financial review – Annual Report (pages 13 to 31) |
| 201-2 | Financial implications and other risks and opportunities due to climate change | Climate change and energy – Annual Report (page 41)             |
| 204-1 | Proportion of spending on local suppliers                                      | Economic contribution – Annual Report (page 50)                 |

### Ethical conduct and transparency

|       |  |  |
|-------|--|--|
| 205-2 | Communication and training about anti-corruption policies and procedures | Ethical conduct and transparency – Annual Report (page 49)<br>2019 Corporate Governance Statement – investor.vivaenergy.com.au/<br>investor-centre |
|-------|--|--|

### Environment

|       |  |  |
|-------|--|--|
| 303-1 | Interactions with water as a shared resource   | Environment – Annual Report (page 39);<br>Sustainability performance data – Annual Report (pages 51 to 52)   |
| 303-2 | Management of water discharge-related impacts  | Environment – Annual Report (page 39)  |
| 303-3 | Water withdrawal   | Environment – Annual Report (page 39);<br>Sustainability performance data – Annual Report (pages 51 to 52)   |
| 304-4 | IUCN Red List species and national conservation list species with habitats in areas affected by operations | Environment – Annual Report (page 41)  |
| 305-7 | Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions                           | Environment – Annual Report (page 41);<br>Sustainability performance data – Annual Report (pages 51 to 52)   |
| 306-2 | Waste by type and disposal method  | Environment – Annual Report (page 41);<br>Sustainability performance data – Annual Report (pages 51 to 52)   |
| 306-3 | Significant spills   | Environment – Annual Report (page 41);<br>Sustainability performance data – Annual Report (pages 51 to 52)   |
| 307-1 | Non-compliance with environmental laws and regulations   | Environment – Annual Report (page 39);<br>Sustainability performance data – Annual Report (pages 51 to 52);<br>Directors' report – Annual Report (page 77) |

| GRI Standard                     | Disclosure title  | Reference   |
|----------------------------------|---|---|
| <b>Climate change and energy</b> |   |   |
| 302-1                            | Energy consumption within the organisation  | Climate change and energy – Annual Report (pages 41 to 43);<br>Sustainability performance data – Annual Report (pages 51 to 52) |
| 305-1                            | Direct (Scope 1) GHG emissions  | Climate change and energy – Annual Report (pages 41 to 43);<br>Sustainability performance data – Annual Report (pages 51 to 52) |
| 305-2                            | Energy indirect (Scope 2) GHG emissions   | Climate change and energy – Annual Report (pages 41 to 43);<br>Sustainability performance data – Annual Report (pages 51 to 52) |
| <b>Our people</b>                |   |   |
| 401-1                            | New employee hires and employee turnover  | Our people – Annual Report (pages 45 to 46);<br>Sustainability performance data – Annual Report (pages 51 to 52)                |
| 404-2                            | Programs for upgrading employee skills and transition assistance programs                                     | Our people – Annual Report (pages 45 to 46)   |
| 405-1                            | Diversity of governance bodies and employees  | Our people – Annual Report (pages 45 to 46);<br>Sustainability performance data – Annual Report (pages 51 to 52)                |
| <b>Health and safety</b>         |   |   |
| 403-1                            | Occupational health and safety management system  | Health and safety – Annual Report (pages 36 to 38)  |
| 403-2                            | Hazard identification, risk assessment, and incident investigation  | Health and safety – Annual Report (pages 36 to 38)  |
| 403-3                            | Occupational health services  | Health and safety – Annual Report (page 38)   |
| 403-4                            | Worker participation, consultation, and communication on occupational health and safety                       | Health and safety – Annual Report (page 36)   |
| 403-5                            | Worker training on occupational health and safety   | Health and safety – Annual Report (page 36)   |
| 403-7                            | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Health and safety – Annual Report (pages 36 to 38)  |
| 403-8                            | Workers covered by an occupational health and safety management system  | Health and safety – Annual Report (page 36)   |
| 403-9                            | Work-related injuries   | Health and safety – Annual Report (pages 36 to 37);<br>Sustainability performance data – Annual Report (pages 51 to 52)         |
| GRI G4-OG13                      | Number of Process Safety Events by business activity  | Health and safety – Annual Report (page 38);<br>Sustainability performance data – Annual Report (pages 51 to 52)                |
| GRI G4-DMA                       | Emergency preparedness  | Health and safety – Annual Report (page 38)   |
| <b>Our community</b>             |   |   |
| 413-1                            | Operations with local community engagement, impact assessments, and development programs                      | Our community – Annual Report (pages 47 to 48)  |

