

ASX/NZX Release



20 February 2023

2022 ANNUAL REPORT

Ampol Limited (ASX/NZX:ALD) provides the attached 2022 Annual Report.

Authorised for release by: the Board of Ampol Limited.

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Powering our way of life

For over 100 years, Ampol has kept our customers moving with the right fuel in the right place. Today, we are leveraging our assets and core business to continue to safely and reliably meet the energy needs of customers in Australia and across our region, while developing new low emissions energy solutions for the future.

Ampol has a key role to play in the energy transition and is exploring a range of new solutions for our customers. While these solutions will continue to evolve as markets develop, the disciplined roll out of our AmpCharge electric vehicle charging solution (as captured on our cover) is the most exciting and visible example of how we are evolving for the future.

Ampol is also proud of the role we continue to play in supporting energy security in Australia and across our region. This includes in New Zealand, where in 2022 we welcomed Z Energy to the Ampol family as we completed the acquisition of the country's leading fuel and convenience business.

Recent disruptions and uncertainty in global and domestic energy markets have underlined the importance of an orderly transition. Reliable and efficient energy supply remains critical, and Ampol's established supply chain capabilities, and traditional fuels manufacturing and distribution assets across our region, remain integral to serving customers today.

Ampol has established itself in the minds of consumers as a proud Australian company and we continue to expand our presence across the region. We will continue to serve customers and power our way of life both now and into the future.

Strategic report

2022 Highlights	2
Leadership messages	4
Fuels & Infrastructure	8
Convenience Retail	10
Z Energy	12
Future Energy	14

Sustainability Performance

Sustainability at Ampol	16
2023 – 2025 Sustainability Strategy	20
People	22
Planet	30
Net Zero	34
Sustainability Data	38
Sustainability Assurance Statement	40

Financial report

Directors' Report	43
Remuneration Report	65
Financial Statements	105
Shareholder Information	170

Acknowledgment of Country

Ampol acknowledges Aboriginal and Torres Strait Islander peoples as the First Australians and the Traditional Custodians of the lands where we operate. We pay our respects to Elders past, present and emerging, and recognise their role in maintaining culture and country, and their spiritual connection to the land. Our registered office is located on the lands of the Gadigal People.

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About our reporting suite

Annual Report (this document)

The Annual Report provides a comprehensive outline of Ampol's financial and operational performance and an overview of how we create value for stakeholders.

This includes disclosures required under the ASX Listing Rules and the *Corporations Act 2001* (Cth), including the Directors' Report, audited Financial Statements and shareholder information.

Financial outcomes and operational highlights for Z Energy from May 2022 and financial outcomes for Gull NZ up to its divestment in July 2022 are also included.

This year's Annual Report also incorporates our 2022 Sustainability Performance. The Sustainability Performance (pages 16-42) outlines Ampol's non-financial performance, including sustainability targets and outcomes on key metrics across the areas of environment, social and governance. Our Sustainability Performance focuses on Ampol's operations in Australia and Singapore. Z Energy non-financial outcomes are only incorporated where indicated while Gull has been excluded from this report. Further details on our emissions reduction targets including boundaries are detailed in our 2023-2025 Sustainability Strategy available on the Ampol website.

Sustainability Datasheet and Appendix

The Sustainability Datasheet and Appendix contain additional data on key sustainability performance metrics, along with a Global Reporting Initiative (GRI) Standards index and outline of our performance related to the United Nations Sustainable Development Goals. These data points are focused on Ampol's operations in Australia and Singapore, and do not cover Z Energy operations.

Appendix 4E, ASX/NZX Release and Results Presentation

Appendix 4E, ASX/NZX Release and Results Presentation include key financial results information required under the ASX Listing Rules.

Corporate Governance Statement

The Corporate Governance Statement is a requirement under the ASX Listing Rules and summarises Ampol's Corporate Governance Framework, practices and policies. It has been developed for the 2022 reporting period and aligns with the fourth edition of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*. Z Energy's policies are referenced as appropriate.

Taxes Paid Report

The Taxes Paid Report provides an overview of Ampol's approach to taxation and our tax position for each financial year. This includes tax outcomes for all entities in the Ampol Group, including operations in Australia, New Zealand, Singapore and the United States. It does not currently include tax outcomes for Z Energy. The last report published was for Ampol's 2020 Financial Year. Ampol will publish its 2021 Taxes Paid Report in 2023 in accordance with the Board of Taxation's Voluntary Tax Transparency Code.

Modern Slavery Statement

The Modern Slavery Statement includes an outline of Ampol's approach to modern slavery and how we manage and mitigate modern slavery risks across our operations and supply chain. It does not currently include Z Energy's approach to these risks. The statement meets Ampol's reporting requirement under Commonwealth legislation and is published in an online register in June in the year following the reporting period. The statement is also maintained by Australian Border Force at www.modernslaveryregister.gov.au

The above reporting suite documents are all available on our website – www.ampol.com.au

2022 Highlights

Record operational and financial performance



Financial

Strategy

Record RCOP EBITDA¹

\$1,764m

▲84%

Restated
21²

959

22

Record RCOP EBIT¹

\$1,317m

▲124%

Restated
21²

587

22

Record total sales volumes

24.3b litres

▲10%

21

22.0

22

Record full year fully
franked total dividend of

275cps

\$655 million returned to shareholders,
represents 86% of RCOP NPAT¹

Z Energy

acquisition completed

Ampol rebrand completed

over 1800 retail sites transitioned

AmpCharge EV charging
service launched

to customers with first pilot sites open

Growth strategies
gather momentumOngoing growth in F&I International and Retail
non-fuel RCOP EBIT uplift target delivered

1. Group result for FY2022, includes contribution from Gull to July 2022 and from Z Energy from May 2022. Excludes significant items.

2. A review of RCOP methodologies was undertaken on the acquisition of Z Energy and externalities foreign exchange (gain)/loss previously reported within RCOP has been reclassified to inventory (gain)/loss (incl. externalities FX) in the 2021 comparator period.



Operations

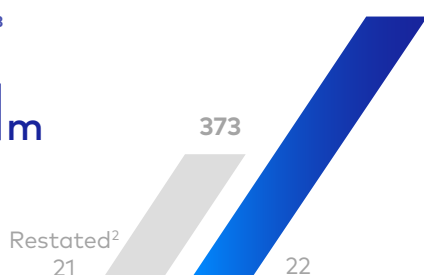


Sustainability

Fuels and Infrastructure

RCOP EBIT³

\$901m
▲141%



Strategic partnerships

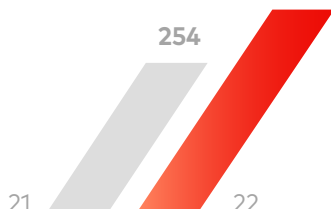
with NatRoad and AfMA announced

▲333%
in Lytton refinery earnings

Convenience Retail

RCOP EBIT⁴

\$347m
▲37%



50

Ampol Woolworths MetroGo sites open

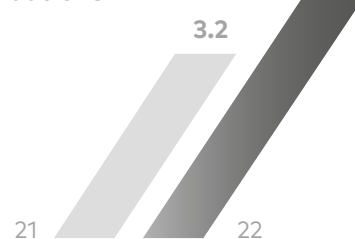
\$1 million

raised for Ampol Foundation charity partners through retail fundraising

Total community contributions

\$4.1m
▲29%

Including over \$1 million raised for community partners through our retail network



Estimated reduction year on year in Convenience Retail Scope 2 emissions

11%



Second Innovate Reconciliation Action Plan launched

and key actions delivered

Commenced deployment

of a software tool at Lytton refinery to improve efficiencies and reduce emissions



3. Continuing and Discontinuing Operations.

4. Excludes significant items.

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Chairman's Message



Steven Gregg

It gives me great pleasure to write to you this year.

2022 was a year of record operational and financial performance for Ampol. Despite the lingering effects of COVID-19, the impact of weather events on local supply chains and volatility in global energy markets, in 2022 we delivered record earnings, record total fuel sales and record dividends for shareholders.

Record RCOP EBITDA¹

\$1,764m
▲84%

Restated
21²

959

22

We made further progress delivering on our growth strategies in Fuels and Infrastructure (F&I) and Convenience Retail. This included completing the acquisition of Z Energy in New Zealand in May, achieving strong growth in our International fuels business, and continued strong performance in Convenience Retail, growing earnings across both fuel and shop.

We also completed the rebranding to Ampol and continued to take important early steps in evolving the business through our Future Energy and Decarbonisation strategies.

Our replacement cost operating profit RCOP EBITDA¹ in 2022 was a record \$1.76 billion, and RCOP EBIT¹ a record \$1.32 billion, up 124 per cent on 2021. Total fuel sales across the year, including an eight-month contribution from Z Energy, were just over 24 billion litres, a 10 per cent increase.

These outcomes were supported by strong performance right across Ampol's integrated value chain in volatile market conditions. Refining played an important role, as there was a substantial increase in refined product margins, which rose to unprecedented levels in the second quarter and remained above historical averages throughout the year.

In 2022 international energy market volatility increased substantially given geopolitical tensions resulting from Russia's invasion of the Ukraine, increasing global prices and creating ongoing uncertainty in markets and supply chains. Ampol has not purchased Russian crude oil or products since the conflict commenced.

Over the last few years Ampol has continued to expand its capabilities in global markets while investing domestically, including in our Lytton refinery, to ensure our integrated supply chain remains resilient. This investment and the breadth of our expertise and infrastructure across our domestic and international operations set us apart from our competitors and positions us well to continue to navigate volatility and deliver supply security, while at the same time delivering strong returns for shareholders.

It was pleasing to see that in the last four years Ampol has delivered over \$1.75 billion of tax effective shareholder returns, including fully franked dividends and off-market buy backs. The company will declare \$655 million in fully franked dividends relating to 2022, while maintaining an investment grade balance sheet and significant ongoing liquidity and funding.

Also worth noting is that Ampol is a major provider of tax revenue to governments in Australia and New Zealand. In 2022 across Ampol we contributed over \$7.5 billion in taxes, making our company a significant contributor to public revenues in both countries.

In this regard, Ampol is very mindful of our position in the Australian community and economy, and the role we play in the provision of safe and reliable energy to Australians. Ampol treats its role in providing energy security seriously, and we welcome our partnerships with both state and federal governments to ensure this is maintained.

Performance in safety and environment continues to be a major part of our drive for operational excellence. It was pleasing to again deliver an improved performance across key safety and environment metrics in Convenience Retail, and Z Energy, who joined the Ampol Group in May, also delivered a year of record performance.

These improvements in our safety performance in retail have been achieved through the continued strengthening of our safety culture and a strong focus on driving the right safety leadership and behaviours.

1. Group result for FY2022, includes contribution from Gull to July 2022 and from Z Energy from May 2022. Excludes significant items.

2. A review of RCOP methodologies was undertaken on the acquisition of Z Energy and externalities foreign exchange (gain)/loss previously reported within RCOP has been reclassified to inventory (gain)/loss (incl. externalities FX) in the 2021 comparator period.

In May we were pleased to welcome Z Energy to the Ampol family as we completed the acquisition of New Zealand's leading fuel and convenience business. The transaction positions Ampol as a trans-Tasman leader in our sector, with significant additional scale and the opportunity to share learnings and capabilities to deliver ongoing strong operational performance across both businesses.

Importantly, the acquisition of Z Energy complements our existing operations in Singapore and the Philippines and provides Ampol with a significant competitive advantage in the South-East Asia and Pacific markets. This focused international presence and expertise will create growth opportunities in the region.

In December we completed our Ampol rebrand, with the final sites in our national branded network transitioning. In just under two years, over 1800 retail locations have been rebranded despite the vast challenges created by COVID-19. This is an outstanding outcome and testament to the skill, dedication and hard work of our project team and supporting partners. The project is also an outcome which has been very well received by our customers and stakeholders.

As we execute our strategy, the Board remains focused on continuing to balance four priorities – investing to ensure strong and safe performance from our core businesses, utilising our capabilities and strong market position to strategically grow the business, delivering ongoing strong shareholder returns, and investing prudently in future energy to maximise the future value of Ampol's customer base and infrastructure strength.

Our efforts to extend our customer value proposition to include alternative fuel options will continue to be executed with discipline to ensure we are delivering strong and sustainable returns for shareholders over the long-term, while in parallel evolving our business over time.

This will be a long journey and is one to which we are committed, recognising the importance of taking some early steps and progressing partnerships to ensure the most efficient solutions are being delivered. We will continue to adjust the pace and focus of delivery as technology and policy evolves and to align with the take-up of new fuels technologies.

Ampol has proven its capabilities and resilience over the last 3–4 years, with its fully-owned and integrated operating model delivering ongoing strong performance and growth.

The company is in a very strong position to deliver in 2023, with a well-structured balance sheet and a portfolio of outstanding businesses. While there remains uncertainty in the global and domestic economies, with the impact of inflation, rising interest rates and ongoing volatility in global energy markets, Ampol has demonstrated its resilience across different market conditions.

In September, Simon Allen was appointed to the Ampol Board as an Independent Non-executive Director. Simon brings significant commercial experience in capital markets, and in infrastructure and refining in New Zealand, which will be vital as we continue to leverage the acquisition of Z Energy.

On behalf of the Board, I would like to congratulate Managing Director and CEO, Matt Halliday, his executive team and all Ampol employees for achieving outstanding results in 2022, all delivered against the backdrop of an extremely challenging international environment and ongoing issues in the domestic economy.

I would also like to thank all our customers and stakeholders, including our suppliers and joint venture partners, who remain vital to our continuing success. Lastly, I would like to thank you, Ampol's shareholders, for your continued support of the company and for coming on the exciting journey that we are creating.

We are looking forward to another great year in 2023.

All the best,



Steven Gregg

Chairman



CEO's Message



Matthew Halliday

It remains an honour to lead this great Australian company.

I am proud that in 2022 strong ongoing operational performance has allowed us to deliver exceptional outcomes for shareholders, customers, and communities as we continued to successfully execute our strategy.

The core business delivered a record financial result, which supported record shareholder returns.

These outcomes wouldn't have been possible without the dedication of the entire Ampol team, who have responded well to the significant challenges of global energy markets volatility, extreme weather events and COVID-19 outbreaks to continue to deliver safely, reliably and efficiently for our customers.

There was strong performance across our integrated value chain. Record earnings at Lytton, where the Refiner Margin for the year averaged US\$17.86/bbl, was complemented by higher earnings in our International business, which continues to develop as a platform for further growth, and allowed us to deliver a significantly improved RCOP EBIT result in Fuels & Infrastructure. Convenience Retail also delivered very strong financial performance through improved earnings in both fuel and shop, despite the impact of high fuel prices during the year.

Record total fuel sales across the year were achieved as we continued to build on our strong track record of safe, reliable and efficient supply. Ampol has an important role to play in underpinning energy security in Australia and New Zealand, leveraging the skills of our people, our market leading infrastructure and integrated supply chain. We know this is essential for our customers, and these capabilities came to the fore in 2022 as challenges emerged in fuel supply chains globally.

Strong progress was made against our strategic priorities. The rebrand to Ampol is now complete, with the milestone reached in just under two years. Our customers, stakeholders and employees have responded very positively to the return of Ampol as an iconic brand Australians know and love.

We also achieved our non-fuel RCOP EBIT uplift target in our Convenience Retail business ahead of schedule. The performance of retail fuels has also improved significantly over the same period, and together have driven much stronger profitability. When coupled with the strong improvement in safety performance, these results highlight a business that has developed strong capability and is well positioned to continue to pursue disciplined growth in the coming years.

We also completed the acquisition of Z Energy (Z) in New Zealand. The acquisition of Z further builds on Ampol's international growth strategy, through which we have continued to build our presence and scale across the region. This acquisition further strengthens Ampol's platform to continue our growth across the region and good progress has already been made integrating Z into Ampol's business. Like Australia, in 2022 the New Zealand market was negatively impacted by high fuel prices and COVID-19 in the initial months following acquisition, but delivered strong performance in the second half of 2022.

In 2023 we will continue to deliver on the synergies from the transaction, including increasing supply to the Z business through our established trading and shipping team. This will drive improved outcomes for Ampol and strengthen fuel security in New Zealand.

We remain disciplined with our allocation of capital, prioritising shareholder returns as we strive to get the balance right between core business optimisation, ongoing international growth, and targeted investment in the energy transition to meet the evolving needs of our customers.

Ampol continued to invest in the energy transition in 2022 consistent with our plans communicated at the start of the year. Our efforts to extend our customer value proposition will continue to be tested with discipline to ensure we are delivering strong and sustainable returns for shareholders over the long-term, while in parallel evolving our business over time alongside our customers.

The Future Energy team achieved several significant milestones, including launching AmpCharge, our electric vehicle charging solution, and the installation of the first five pilot sites as part of a co-funding agreement with the Australian Renewable Energy Agency (ARENA).

We also finalised an agreement with the NSW Government to deliver 19 fast charging sites and over 110 charging bays in key areas of NSW, including over 50 bays at eight 'at-destination' sites outside our retail network.

In total, our initial commitment is to deliver more than 100 fast-charging sites and over 300 charging bays nationally as we work collaboratively with governments on co-funding solutions to leverage our infrastructure network strength to deliver e-mobility solutions.

In 2022 we also made strong progress putting community at the heart of our strategy. Overall Ampol community contributions increased by 29 per cent to \$4.1 million, which included raising over \$1 million for our Ampol Foundation charity partners through our retail network and the generous support of customers. This was complemented by strong employee participation in our workplace giving program, Fuelling Change, with funds raised reaching almost \$300,000.

We also continued to progress our objectives in diversity and inclusion and maintained our strong employee culture as demonstrated in our third consecutive annual culture survey. This included the launch of our second Innovate Reconciliation Action Plan as we continue our journey to support better opportunities for Aboriginal and Torres Strait Islander peoples across employment, procurement, cultural awareness and community engagement.

Ampol is also committed to developing its people and leaders. I was pleased that all three changes to our Ampol leadership team (ALT) in 2022 recognised the talent that exists within the company.

Kate Thomson was promoted to the role of Executive General Manager, Retail Australia, Faith Taylor was promoted to Executive General Manager, Group General Counsel, Regulation and Company Secretary, and Lindis Jones was appointed Executive General Manager, Z Energy and will commence in his role on 1 March 2023. With these leadership changes, female representation on the ALT has increased to 33%, which is closer to our aspiration of 40%.

Finally, I am pleased that this year we have integrated our Sustainability Performance into our full year reporting suite. The integration of our financial and non-financial reporting underlines our commitment to transparency and to ongoing improvement across our key sustainability measures.

As we head into 2023, we will continue to focus on strong operational and commercial performance, which support the ongoing delivery of attractive shareholder returns. We will also continue to invest prudently in energy transition to maximise the future value of Ampol's infrastructure strength and capabilities to evolve alongside our customers' needs.

I would like to thank all our employees for a great year. Our financial and operational results, together with the clear progress we are making on the delivery of our strategy, reflect the talent, commitment, and innovation our people bring to Ampol each day.

I would also like to thank our customers, partners and shareholders for their continued support and as we look forward to another year of strong delivery in 2023.

Matthew Halliday

Managing Director and CEO

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Operations Report – Fuels and Infrastructure

In 2022, our Fuels and Infrastructure business successfully navigated supply chain disruptions and delivered exceptional performance at the Lytton refinery

Increase in Lytton refinery earnings

▲ **333%**
compared to 2021

New partnerships

Strategic partnerships with National Road Transport Association and AfMA announced



CASE STUDY



Ampol Sales Academy breaks new ground

Ampol was proud to be recognised at the 2022 World Business Awards for 'Training Excellence' following the successful introduction and implementation of the Ampol Sales Academy (ASA).

The honour followed the ASA being recognised at the 2022 Australian Business Awards for Business Excellence and Training Excellence.

The ASA is a five-tier learning and development program focused on education, exposure and experience for employees and customer-facing leaders dedicated to building sales leadership capabilities.

90% of Ampol's B2B sales team have now completed the ASA's first-tier curriculum, "Starting Line-Up", with over 50 per cent since progressing to the ASA's second tier, "Professional".

Ampol General Manager, B2B Sales, Brad Phillips said: "Building this bespoke program has allowed us to enrich our professional standards and stimulate the full potential of our people across our B2B teams, ensuring we exceed customer expectations. The ASA has succeeded in assisting and improving Ampol's operational efficiencies, productivity and culture as well as influencing how the organisation conducts business and continually achieves excellence."

Fuels and Infrastructure recorded strong financial and operational performance in 2022, despite significant market disruption and volatility created by the Russia-Ukraine conflict and from adverse weather events across Australia.

The business finalised new strategic partnerships and new customer relationships, and the Lytton refinery operated safely and reliably across the year, delivering outstanding financial outcomes. Ampol's strategy to diversify and grow our international business also continued to be successfully executed.

Managing market volatility to strengthen customer relationships

In 2022, geopolitical events in Ukraine and international sanctions against Russia elevated global demand for diesel, lubricants and jet fuel and put pressure on supply chains.

To manage these disruptions and deliver ongoing supply security to customers, we leveraged the scale, expertise and infrastructure across our trading and shipping, supply, business-to-business (B2B), manufacturing and distribution businesses.

Our response throughout the year was underpinned by the expertise of our trading and shipping team, based in Singapore and the United States. By leveraging our relationships with producers globally, along with our storage positions developed over the last few years, we were able to make informed decisions and continue to manage the short-term needs of customers safely and reliably.

In Australia, our B2B teams also responded through ongoing customer communications and remained agile in managing customer pricing and volume requirements. The combined activities reinforced to customers the strength and value of Ampol's integrated supply chain in maintaining safe and reliable supply.

Lytton refinery delivers strong performance

In 2021, Ampol made the decision to continue refining operations at Lytton, with margin downside protection if required from the Federal Government's Fuel Security Services Payment. In 2022 the facility delivered exceptional operational and financial performance.

Lytton operated safely and reliably throughout the year. While the Brisbane Flood event in the first quarter did interrupt operations, we still managed a total production of 6.1 billion litres. The Lytton team responded well to the February event to prevent more significant environmental and operational impacts.

Safety performance is always a high priority for our Fuels and Infrastructure business. In 2022, there was an increase in Total Recordable Injury Frequency Rate (TRIFR) to 4.2 (up from 1.9) with an increased number of incidents in the manual task-orientated distribution business. A substantive set of initiatives to improve performance are underway.

From a financial perspective, refiner margins increased substantially in the first half of 2022 and remained elevated above historical levels across the second half of the year.

Combined with reliable operations and high-yield process units, Lytton earnings increased by more than four times compared to 2021 and the facility continues to play an important role in Australia's fuel security.

Retaining and securing new business customers

The heart of our business continues to be the scale of our demand base in Australia, including approximately 80,000 business customers. In 2022 our B2B teams successfully retained significant long-term customer contracts and secured new contracts in key parts of the wholesale, bulk fuels and lubricants market.

Many expiring contracts were renewed by the team across the year as we refocused on customer centricity, and leveraged our knowledge and relationships in key industries.

Other highlights included volume growth in aviation as travel returned with the easing of COVID-19 restrictions, while market share in our key Sydney and Brisbane locations also grew. Significant new volume in the automotive sector was also secured.

Following demand declines due to COVID-19 over the last few years, 2022 saw the volume of diesel, petrol, jet fuel and lubes increase nationally. Total Australian sales volumes were 14.05 billion litres in 2022, an increase of 7.6% on 2021.

International growth strategy hits new milestones

Through our International strategy we are focused on more expansion into international markets by growing earnings, improving our capability and applying learnings to unlock further potential.

In 2022, we completed the acquisition of Z Energy, New Zealand's leading fuel and convenience business. The transaction makes Ampol the trans-Tasman leader in transport fuels and will further increase scale in our global supply chain. Another highlight from International included the US office demonstrating its strategic value by expanding the flow of crude exported to our major markets from the US Gulf Coast.

Strategic partnerships launched

In March we finalised a landmark partnership with the National Road Transport Association (NatRoad) that will deliver volume growth for Ampol and provide support to Australia's freight transport sector, including through discounted fuel.

The partnership with NatRoad connects Australia's leading trucking association with Ampol's leading diesel refuelling network. As NatRoad's official fuel partner, Ampol will deliver more than \$15 million in savings annually for members at more than 380 Ampol sites nationwide.

In December we also launched a corporate partnership with the Australasian Fleet Management Association (AfMA). The agreement will see Ampol directly collaborate with AfMA on annual events, networking, branding and research initiatives with over 500 member organisations responsible for over 500,000 fleet vehicles throughout Australia, New Zealand and Southeast Asia.

The partnership reflects our reputation as a leading provider of energy solutions to fleet owners and in 2023 we will explore growth opportunities with AfMA across both traditional fuels and future energy.

Environmental incident at Kurnell

A 1-in-100-year rain event combined with high ground water levels and a peak high tide caused a significant overflow of our wastewater separators at our Kurnell terminal in New South Wales in April 2022, with 9,200 litres of hydrocarbons mixed with stormwater released into the community.

Ampol accepted responsibility for the spill and apologised to the Kurnell community. Ampol delivered a comprehensive investigation during and following the clean-up and has presented key findings to the community. Actions have also been taken to improve operations to prevent reoccurrence and further work is underway to deliver additional improvements in wastewater capacity and operations at the facility.

We have also implemented a range of initiatives to strengthen our community engagement and communication, and we remain committed to driving positive outcomes for the residents of Kurnell.



Operations Report – Convenience Retail

National retail network rebrand completed, as operational excellence and growth strategies gather further momentum

\$1 million

Money raised for Ampol Foundation through our retail network

50

Number of Ampol Woolworths MetroGo stores now in network



CASE STUDY



Ampol launched the next phase of its brand strategy with its "Powering Our Way of Life" multimedia campaign in July. The campaign is ongoing and celebrates Ampol's role at the centre of Australian journeys and our evolving customer offer as part of the energy transition.

The new campaign is based on the idea that, wherever your journey starts and ends in Australia, Ampol is there to provide the fuel, energy and mobility solutions you need to get moving and keep moving – on the forecourt, on the road or at home.

"Powering Our Way of Life" aims to reflect our strategy of evolving from a traditional transport fuels and convenience retail provider to a broader distributor of energy solutions for the future.

The "Powering Our Way of Life" campaign was created by Saatchi & Saatchi Australia and launched on national broadcast television. The campaign has been supported by an integrated media buying strategy, via iProspect and has included TV, outdoor, cinema, radio, online display, social and sponsorship partnerships.

In 2022 Convenience Retail completed the Ampol network rebrand, continued to execute its growth strategy and remained focused on operational excellence to deliver for customers and shareholders. New food and merchandise offerings were launched, we progressed the development of new strategic sites and continued the rollout of Ampol Woolworths MetroGo. We were also proud to leverage our network to raise over \$1 million for three Ampol Foundation charity partners.

Strong fuel, shop and network performance

Despite COVID-19 disruption and extreme weather events in the early parts of the year, along with the ongoing impacts of higher retail fuel prices across Australia, Convenience Retail delivered strong operational and financial performance in 2022.

Rapidly rising crude and product prices early in the year following Russia's invasion of Ukraine put pressure on fuel volume and margins in the first half. Pleasingly, the business recovered to deliver a strong second half with total fuel sales volumes across the year rising by 0.5% on an equivalent basis.

Shop performance remained strong across 2022. Total shop income increased by 17% and gross margin to 33.9% post waste and shrink. Average basket size also grew across the year, demonstrating strong momentum in the execution of our retail growth strategy. In 2022, we completed the delivery of our non-fuel RCOP EBIT uplift target of \$85 million two years ahead of schedule.

This result has been supported by an ongoing focus on reducing costs, including waste and shrink, and the ongoing optimisation of our network. 39 marginal sites were closed in 2022 and we delivered two new-to-industry sites.

Driving operational excellence the Ampol way

In late 2021, Ampol launched an internal program to improve execution consistency and support retail employees' understanding of the expectations required to deliver greater customer experiences across our company-operated network.

The Ampol Way was introduced to ensure the entire retail team remains focused on consistent shop merchandising standards and customer experience. This included the creation of a comprehensive playbook for frontline staff, including 10 key customer drivers and touchpoints. This work was supported by introducing two new customer experience measures – merchandise check and mystery shop.

In Q1, the national baselines of the customer experience measures were established. 2022 year-end results showed improvement across both merchandise check (3.1% increase to 84.3%) and mystery shop (4.3% increase to 82.9%).

Network rebrand completed

The return of the Ampol brand continued to strongly resonate with the Australian community in 2022 as we completed the rebrand of over 1800 retail locations nationally.

The transformation of our entire retail convenience network was an outstanding outcome, achieved in under two years despite the vast challenges created by COVID-19. The revitalisation of the Ampol brand continued in 2022 with the launch of the "Powering Our Way of Life" campaign, and the ongoing execution of sponsorships and community partnerships.

The rebirth of Ampol as a brand Australians know and love is demonstrated in our key brand health metrics, which continue to improve. Prompted awareness as well as brand preference and association targets were all met across Ampol, Amplify Premium Fuels and Foodary.

New sites and continued format strategy rollout

The redevelopment of our Pheasants Nest service centre in NSW is an example of a key growth opportunity for Ampol. The state-of-the-art, world-class highway service centre facility will open in 2023 and will provide the highest quality amenities for retail customers and professional drivers alike.

Further complementing our rebrand, network optimisation and development of new-to-market sites has been the ongoing execution and subsequent growth of our Tier 1 format strategy, Ampol Woolworths MetroGo. Ampol Woolworths MetroGo South Melbourne was launched in November, the 50th such store across NSW and Victoria.

We also delivered several points of difference to our foodservice offering in 2022. The introduction of the new, Ampol-exclusive, ready meals brand, The Street Food Co, helped continue the diversification of brands available to customers. We also supported two emerging Australian retail brands, with the launch of Bennett Street Dairy cookies and Doughnut Time doughnuts to customers in parts of our network.

Forecourts adapt to energy transition

The rollout of our future energy strategy on our forecourts also commenced in 2022, following the launch of our AmpCharge electric vehicle fast-charging offer. The delivery of our first AmpCharge infrastructure occurred at our Alexandria Ampol Woolworths MetroGo store, and we commenced an initial rollout of AmpCharge infrastructure to four further sites with an initial target of more than 100 sites nationally.

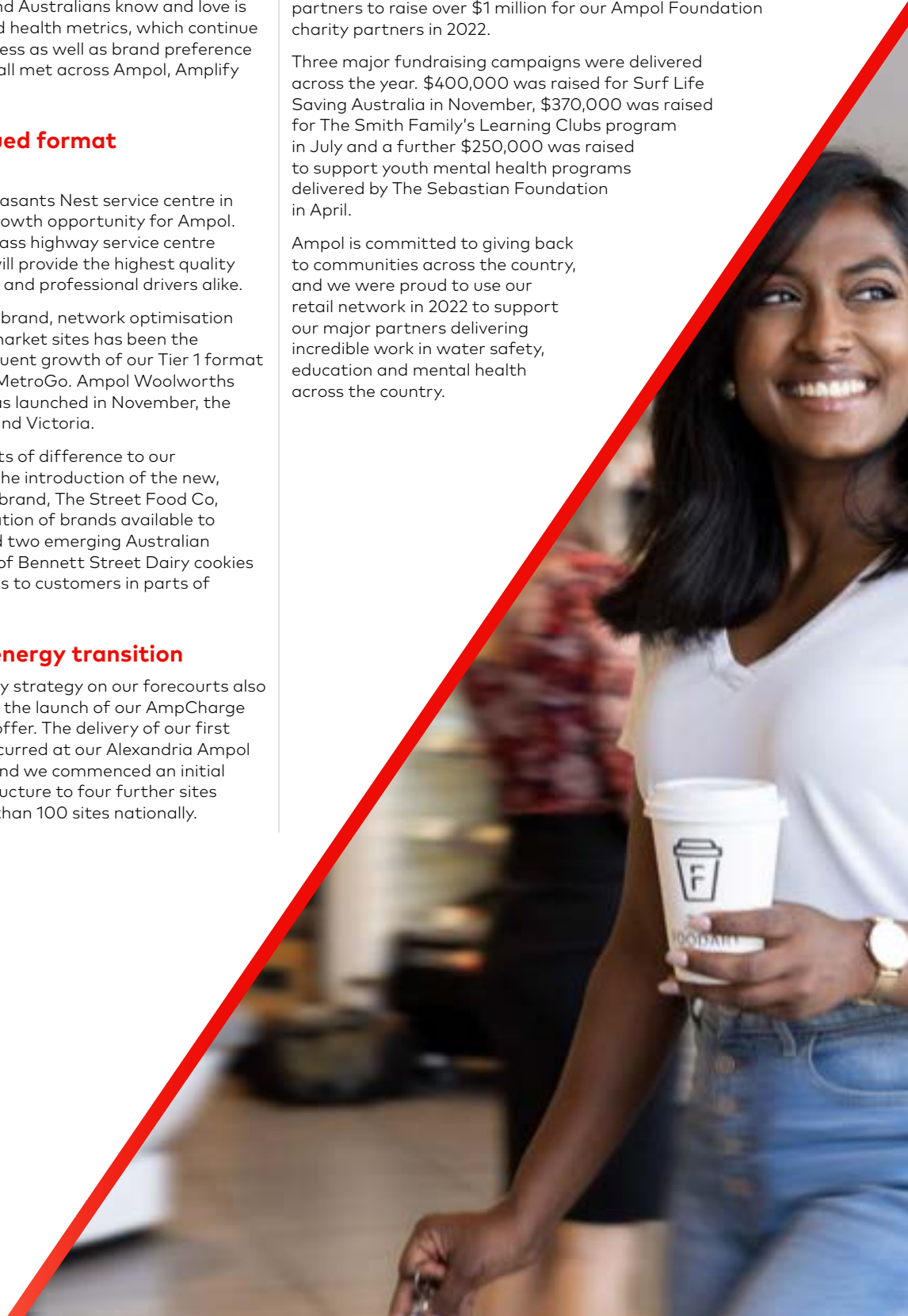
Decarbonisation also remains a priority of Ampol's long-term retail convenience strategy as we strive towards our target of reducing Scope 1 and 2 operational emissions by 25% by 2025. An energy audit of 12 retail locations in 2022 helped measure usage and identify energy savings opportunities. This led to a successful pilot program of LED lighting upgrades across 17 NSW and Victoria locations, with further deployment across these states to come as a priority in 2023.

Retail fundraising reaches new heights

Finally, we were proud to leverage our network, the dedication of our employees, and the generosity of customers and supply partners to raise over \$1 million for our Ampol Foundation charity partners in 2022.

Three major fundraising campaigns were delivered across the year. \$400,000 was raised for Surf Life Saving Australia in November, \$370,000 was raised for The Smith Family's Learning Clubs program in July and a further \$250,000 was raised to support youth mental health programs delivered by The Sebastian Foundation in April.

Ampol is committed to giving back to communities across the country, and we were proud to use our retail network in 2022 to support our major partners delivering incredible work in water safety, education and mental health across the country.



Operations Report – Z Energy

The combination of Ampol and Z Energy (Z) is an important step in Ampol's international growth strategy and will bring considerable benefits to New Zealand, while maintaining Z's unique position as New Zealand's leading fuel and convenience provider

Transition to import supply chain

Refining NZ successfully and safely transformed into a fuel import terminal

EV fast-charging stations

Z continues to roll out EV fast chargers at Z branded retail stores.

**CASE STUDY****Electrification of transport**

Z is well positioned to support the electrification of the light transport fleet.

Electric vehicles (EV) are steadily increasing in volume, with the most popular EV model outselling any other new car model sold in September and November 2022.

Over the 2022 calendar year, EV registrations more than doubled from 2021 to represent nearly 10% of new car registrations, with just under 50,000 EVs now registered in Aotearoa New Zealand, representing just over 1% of the total fleet.

Z is rapidly expanding its EV charging network to meet the forecast demand.

Z is also developing offers and partnerships for those who want to charge at home.

Z is the majority owner of electricity retailer, Flick Electric and has formed a partnership with Evnex, a local manufacturer of small, efficient EV charging systems, designed to perfectly suit Kiwi homes. Over 2023 Z will launch new home-based, integrated EV charging solutions for customers.

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



The completion of Ampol's acquisition of Z Energy in May 2022 has created an independent trans-Tasman energy company of significant scale. Throughout the acquisition process, it became evident that there was clear alignment between the strategies of the two companies. The transaction provides the platform for Ampol to grow its presence in New Zealand, while supporting Z to make strong progress against its existing strategic objectives.

Supply chain transformation

For years Z has been a driving force for the transformation of New Zealand's liquid fuel supply chain. On 1 April 2022, New Zealand's sole oil refinery at Marsden Point, Refining NZ, ceased to operate and the country switched to a supply model based exclusively on imported refined fuels.

Refining NZ was successfully and safely transformed into a fuel import terminal, ensuring its pipeline into the Auckland market continues to provide the most efficient supply. In exiting the crude oil supply chain in favour of refined fuel imports, Z removed the impact of refining margin volatility on its earnings and has helped deliver a more flexible and secure supply chain for its customers and the country.

Exiting domestic refining in favour of a refined fuel import model has also removed significant sources of CO₂e emissions from both Refining NZ and two coastal fuel tankers.

Over 2023, Z will progressively shift its contracted fuel import requirements into the Ampol supply function, realising further supply chain efficiencies and economies of scale, and further supporting New Zealand's fuel security.

Driving value through unrivalled infrastructure

Z has the strongest and most geographically diverse network of bulk fuel storage in New Zealand. In August 2022, Z exited the industry agreements under which fuel companies shared fuel infrastructure with each other in favour of commercial arrangements.

This change makes the operation of Z's supply chain more efficient, reliable and resilient. It enables Z to charge commercial rates to other companies seeking access to its fuel terminals and will better support investment in strategic fuel supply infrastructure.

Over the year, Z used its unrivalled terminal network to sell increasing volumes of fuel to other market participants, significantly increasing its wholesale fuel market share.

Optimising the core fuel business

Z's strategy is focused on optimising its core business to support its transition to a low carbon future. In 2021, Z committed to exiting non-core business operations, including bitumen, supply/delivery to commercial customer bulk fuel storage sites, direct-to-machinery refuelling and the supply of aviation fuel to small airfields (general aviation).

These have been discretionary operations in the Z portfolio for over a decade. During the latter part of 2022, the process to explore divesting these discretionary operations commenced, in favour of focusing on maximising supply chain efficiency, delivering commercial value from terminal assets and delivering for core retail and commercial fuel customers.

In 2022, Z started the process of reorganising its workforce to deliver against its strategy. By 1 April 2023, Z will have in place a new organisational structure that supports its focus on optimising the efficiency and operation of the supply chain, including realising the synergies in combining supply functions with Ampol, driving value through its core fuels business, and creating commercial opportunities in energy decarbonisation.

As part of Ampol's acquisition of the Z business, Ampol has also committed to developing the Z team, including through dedicating additional roles for a graduate program and cadetships to ensure the attraction of talent and new thinking.

Leading the transition to a low carbon economy

Z's focus on its core business is both the source of significant value and what will ultimately enable the development of a low carbon future.

Z aims to develop opportunities to create further value through projects and initiatives that reduce carbon emissions. As part of its acquisition of Z, Ampol committed to an investment of NZ\$50 million in future energy projects. This investment will span over the coming seven years, until 2029. Z's existing decarbonisation work program, supported by Ampol investment, will see significant initiatives delivered over the coming years.

EV fast charging stations are continuing to roll out across Z branded retail service station sites. In 2022, Z imported a parcel of 1.2 million litres of Sustainable Aviation Fuel (SAF) for its customer Air New Zealand, both to enable an extensive trial of the fuel and to begin to test the supply chain for potentially larger parcels in the future.

As with Ampol, Z seeks to be an integrated energy supplier, including in customers' homes. In December 2022, Z purchased an additional stake in the electricity company, Flick Electric, taking its ownership stake from 83% to 95%. Z is actively developing new customer offers that bring together the energy requirements from transport, home and business.

As with supply chain optimisation, Z sees Ampol's ownership of the business as an opportunity to deliver energy solutions at a scale previously not possible. Over 2022, Z has scaled up the resources in its decarbonisation team and has a full work program of initiatives that can help decarbonise the economy, deliver value for customers and help New Zealand meet its climate change commitments.



Operations Report – Future Energy

Our future energy business is building new lower emissions solutions for the future to help our customers decarbonise

AmpCharge launched

Electric vehicle charging solution launched following opening of pilot sites

Supporting the uptake of EVs

Key Hyundai, EVDirect partnerships announced



CASE STUDY



Developing Ampol Energy

Ampol continues to put the foundations in place to support our customers with electricity solutions.

We know that our customers' transport energy needs are changing and we want to be able to support them.

This means being able to charge their EVs through AmpCharge on the road but also at home and in depots for fleet vehicles where required.

In 2022, our application for an energy retail authorisation from the Australian Energy Regulator was approved in Queensland, NSW, SA, ACT and Tasmania. We also launched a retail electricity pilot with a small group of employees in Queensland.

Our electricity offering will be small test and learns initially as we focus on building an integrated fuel and electricity offer for customers in 2023.

We have been powering Australians for over 100 years, and our future energy business is continuing to build solutions for the future.

In 2022, we continued with the execution of our Future Energy and Decarbonisation strategies. Milestones included the launch of our electric vehicle charging solution AmpCharge, the introduction of AmpCharge fast-charging infrastructure to some retail sites and the formation of new strategic partnerships.

AmpCharge launches to customers

E-mobility is a core pillar of our future energy strategy. We project electric vehicles (EV) will make up 15% of Australia's car fleet by 2030 and become Australia's primary mobility source for passenger vehicles by 2050.

Ampol's aim is to build Australia's leading e-mobility brand, leveraging our position as the country's largest branded fuel retail network. With nearly 3 million customer visits per week in our Australian retail stores and a national network located along major transport infrastructure in metropolitan and regional areas, we are well positioned to achieve this goal.

2022 saw the launch of AmpCharge to support the transition of our customers to EVs.

AmpCharge, our national EV charging solution, was launched in May at our Alexandria Woolworths MetroGo retail site. An important step forward for our e-mobility strategy and our objective to reduce emissions in the transport sector, through AmpCharge we are building a national charging network that will assist in minimising range anxiety for EV owners and support EV uptake.

Ampol has an initial commitment to deliver AmpCharge EV fast-charging infrastructure at more than 100 fast-charging sites with over 300 charging bays to be delivered.

The initial stage of this program included other pilot EV fast-charging sites in Carseldine, Queensland, Altona North, Victoria, Belmont, Western Australia and Northmead, NSW. The small number of pilot sites enabled Ampol to focus on delivering excellent customer satisfaction and to learn from deploying and operating the assets before a scaled rollout program.

Alongside the delivery of AmpCharge infrastructure on our forecourts, we will introduce new at-destination charging solutions in places like shopping centres and workplaces. We will continue to test and learn as we launch these new offerings to customers in 2023.

The initial rollout of AmpCharge at our forecourts includes ultrafast chargers capable of charging an EV at up to 150kW which have the ability to charge at least two EVs concurrently. As we expand our AmpCharge presence in different locations, we will also deliver fast (between 50kW and 75kW) and high-power charging solutions (between 150kW and 350kW) to serve the different customer needs.

Many sites will also feature solar power systems while some will have battery storage provisions which we continue to trial as we consider a network-wide rollout. In addition, the energy used by our AmpCharge EV chargers is 100% offset with renewable energy certificates. We have achieved this by purchasing and surrendering Large-scale Generation Certificates (LGCs) to net the equivalent electricity consumption used by our AmpCharge EV chargers.

The work undertaken in 2022 builds momentum towards our ambition of AmpCharge becoming Australia's leading EV charging network. As we continue with our rollout, we will focus on getting the balance right, investing to build capacity while tailoring our investment to match the take-up of EVs in the Australian market.

Building strategic partnerships

In 2022, we established several strategic partnerships that will support the execution of our future energy strategy.

Government support remains crucial for a successful energy transition, particularly as the penetration and uptake of EVs increase and the demand for charging infrastructure continues to develop.

Early partnerships with government include our agreement with ARENA for the rollout of more than 100 charging sites, which was announced in August. In October, we also announced a funding agreement with the NSW Government to deliver EV fast-charging infrastructure throughout NSW.

The NSW funding agreement will see Ampol deliver over 110 fast-charging bays at 19 AmpCharge sites, with a minimum of four charging bays per site and several sites having up to 10 charging bays to act as hub sites for EV drivers.

The infrastructure will be located at existing forecourts on key commuter routes, along with new destination charging sites at major retail precincts. The infrastructure will be built throughout Greater Sydney and regional NSW, with the NSW Government contributing over \$9 million in co-funding to underpin Ampol's investment.

Late in 2022, we also announced two strategic partnerships with leading global vehicle manufacturers.

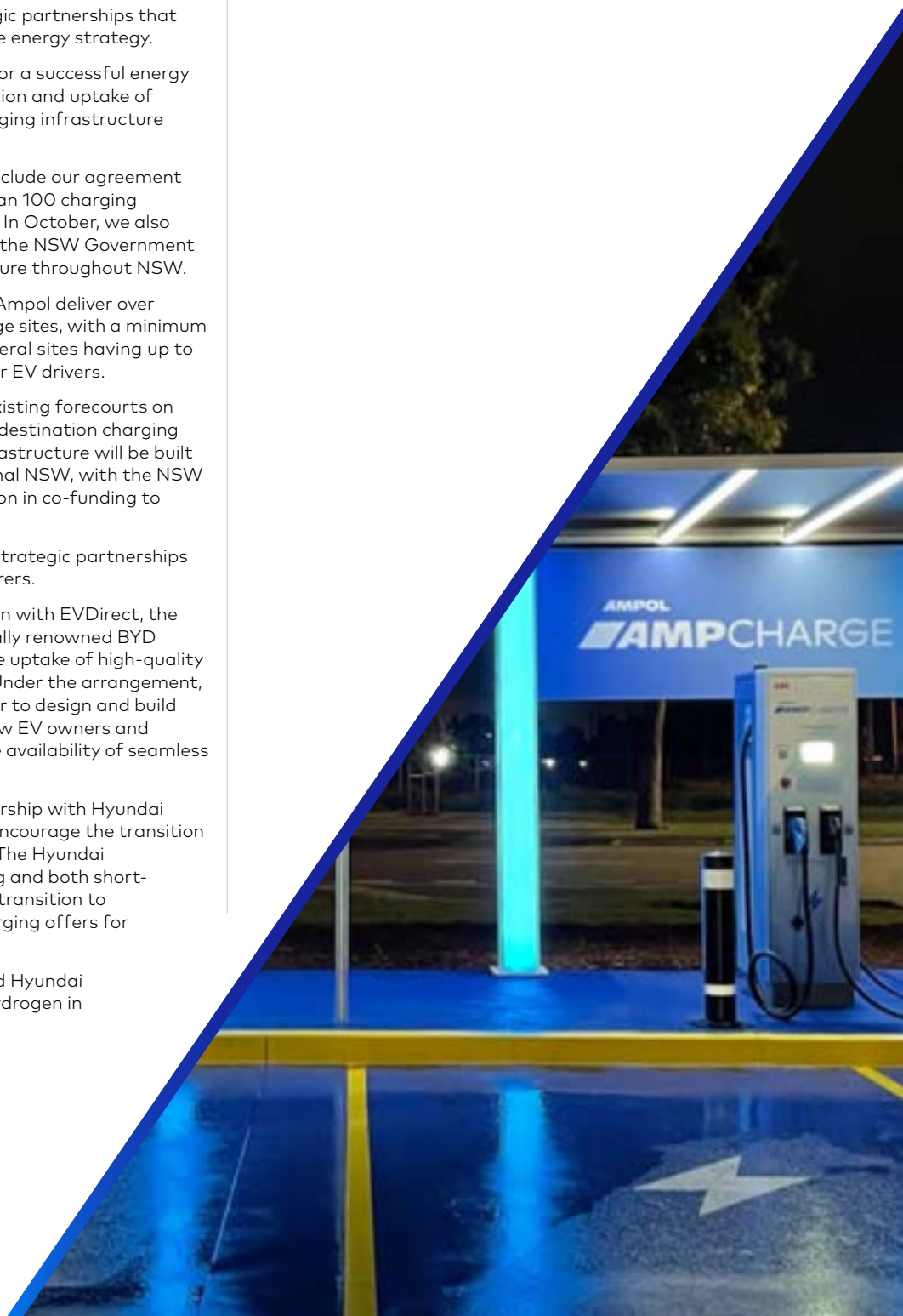
In October, we launched a collaboration with EVDirect, the Australian importer and seller of globally renowned BYD Automotive EV vehicles, to support the uptake of high-quality and affordable EVs across Australia. Under the arrangement, Ampol and EVDirect will work together to design and build integrated offers and packages for new EV owners and business fleet customers to ensure the availability of seamless and convenient charging solutions.

We also announced a strategic partnership with Hyundai Motor Company Australia to further encourage the transition to zero-emission vehicles in Australia. The Hyundai agreement includes knowledge sharing and both short- and long-term initiatives to assist the transition to battery electric vehicles, including charging offers for Hyundai EV customers.

The agreement will also see Ampol and Hyundai explore the development and use of hydrogen in Australia's transport sector.

Like e-mobility, hydrogen is one of the pillars of our future energy strategy. We believe hydrogen has an important role to play in the energy transition and decarbonisation of Australia's transport sector in the longer term. We are uniquely positioned to participate in developing hydrogen infrastructure as a natural extension of our existing core transport fuels business.

Hyundai and Ampol will collaborate to deliver integrated solutions to customers looking to operate fuel cell electric vehicles powered by hydrogen. The partnership will also explore the development of hydrogen infrastructure and fleets. This could include knowledge sharing and collaboration on opportunities for public funding of new hydrogen infrastructure.



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2022 Sustainability Performance

"The integration of our financial and non-financial reporting underlines our commitment to transparency and to ongoing improvement across our key sustainability measures."



Our commitment to sustainability

In executing our corporate strategy and delivering on our purpose, we recognise that we need to take a responsible and long-term view to deliver enduring value for our customers, shareholders, employees, and the communities in which we operate.

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

We consider and align our approach with recognised practices and standards and feedback from our stakeholders on material issues. We continually develop, improve and work to implement policies and plans to drive progress on our commitments. Key policies and plans include Ampol's:

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

These documents can be found at www.ampol.com.au

Sustainability Performance – Our commitment to sustainability continued

Our approach to sustainability performance

Our sustainability performance covers the year 1 January 2022 to 31 December 2022, with the exception of energy and Scope 1, 2 and 3 emissions data which covers the reporting period 1 July 2021 to 30 June 2022, and covers Australian operations only. Our 2022 sustainability performance reporting is focused on our operations in Australia and Singapore and following the acquisition of Z Energy during 2022, it covers New Zealand operations where identified. We will look to further integrate Ampol and Z Energy's sustainability performance reporting in the coming year. Z Energy's sustainability performance can also be found in their Annual Report for the nine months to 31 December 2022, available at the end of February 2023.

In addition to our sustainability performance reporting within our 2022 Annual Report, please also refer to our [2022 Sustainability Datasheet and Appendix](#) which contains:

- Performance metrics
- Global Reporting Initiative (GRI) Standards index
- United Nations Sustainable Development Goals reporting

Our sustainability performance reporting is aimed at improving transparency of our most material risks and explaining how we manage these risks and operate responsibly. We prepare our reporting with reference to GRI standards to provide shareholders with comparable information relating to sustainability performance. We are also committed to align our disclosures with other widely accepted standards, such as the Task Force on Climate-related Financial Disclosures (TCFD) and will be releasing a Climate Report aligned to this in 2023. To provide confidence in our sustainability data, we again engaged KPMG to provide limited assurance over selected datasets, including safety, emissions data and performance. KPMG's Assurance Statement is included at the rear of our sustainability performance section within this 2022 Annual Report.



Sustainability governance

We believe that adopting a high standard of corporate governance is essential to sustaining long-term performance and value creation. Each year we prepare a Sustainability Plan that supports the delivery of our Sustainability Strategy. Our Plan outlines targets and initiatives to be implemented during the year, as well as metrics to measure ongoing performance.

The governance structure we have in place to support the delivery of our Sustainability Strategy is summarised below.

Ampol Board	Responsible for corporate governance policies and risk management, including those relevant to sustainability. Approves policies for publication on the Ampol website, key sustainability initiatives and disclosures. Approves Ampol's Sustainability Strategy.
Board Safety and Sustainability Committee	Oversees and monitors the effectiveness of Ampol's Sustainability Strategy and annual Sustainability Plan, as well as sustainability reporting requirements and the management of key social and environmental sustainability risks.
Board Human Resources Committee	Assists the Board to fulfil its corporate governance responsibilities in relation to Ampol's remuneration framework, incentive plans, succession planning, cultural health and engagement as well as Diversity and Inclusion policy and strategy.
Ampol Leadership Team	Approves the annual Sustainability Plan and monitors progress of the Sustainability Strategy on a quarterly basis.

Issue-specific management committees

Strategic Risk Committee	Chaired by the CEO and comprising the Ampol Leadership Team, the Committee provides oversight of strategic risks including climate change. Climate-related focus areas for the Committee include risk management, integration into business systems and processes, disclosures and monitoring of external and emerging issues.
Decarbonisation Project Review Board	Chaired by the Group CFO and comprising a sub-set of the Ampol Leadership Team, this group provides oversight on Ampol's decarbonisation programs, including capital allocation, emissions forecasting, and delivery against public commitments.
Ampol Foundation Committee	The Committee is the primary decision-making body governing community investment decisions and activities executed through the Ampol Foundation.
Diversity and Inclusion Council	Provides stewardship of our Diversity and Inclusion Strategy with senior leadership representatives from across Ampol. Chaired by the Executive sponsor for Diversity and Inclusion, the Executive General Manager (EGM) Fuel Supply Chain.
Wellbeing Council	Provides oversight over our enterprise-wide approach to our Wellbeing Strategy and delivery of key priorities consisting of senior representation across the business, with Executive sponsorship from the EGM, People and Culture.
Reconciliation Action Plan (RAP) Working Group	Promotes the RAP and its efforts towards reconciliation. Instigates and influences the delivery of initiatives aligned with the RAP commitments through operational business activity.
Sustainability function	Works across the business to coordinate and support delivery of the Sustainability Strategy.

Industry collaboration

To better inform our decision making, we participate in several industry forums to contribute to policy dialogue and development. This participation allows us to share ideas and experiences with our peers, and to help us identify strategies to pursue opportunities and address the challenges our industry faces. We also participate in many cross-industry associations and other business forums, including:

- Australian Association of Convenience Stores
- Australasian Convenience and Petroleum Marketers Association
- Australian Climate Leaders Coalition
- Australian Hydrogen Council
- Australian Industry Greenhouse Network
- Australian Industry Group
- Australian Institute of Petroleum
- Business Council of Australia
- Carbon Market Institute
- Clean Energy Council
- Electric Vehicle Council
- Gas Energy Australia
- Global Compact Network Australia
- New Zealand Climate Leaders Coalition
- Sustainable Business Council (New Zealand)
- Sustainable Business Network (New Zealand)

Investor engagement on sustainability

We routinely engage with our investors on our sustainability performance with meetings attended by our MD and CEO as well as members of the Ampol Leadership Team. Engagement sessions provide us with the opportunity to seek feedback on our future business plans as well as update investors on our Future Energy and Decarbonisation strategies and our broader sustainability agenda.

Our focus areas in 2022 included:

- Continuing to showcase Ampol as having the capabilities necessary to deliver low carbon energy solutions for our customers now and into the future;
- Updates on the delivery of our future energy projects, including our 'test and learn' approach;
- Accessing sustainability-linked debt financing;
- The management of climate-related risk through in-house climate scenario modelling and the deployment of a shadow carbon price into our capital planning and investment decision making;
- How we are tracking on our operational (Scope 1 and 2) carbon emissions reduction targets;
- Our safety, environmental and community performance and the management of modern slavery risks in our supply chain;
- Our participation and role in an equitable energy transition and our plans for retaining staff as consumption of oil products declines in the longer term.

2022 Sustainability Performance

In our 2021 Sustainability Report we set annual public commitments to support the delivery of our Sustainability Strategy. We prepared a corresponding program of work to support the achievement of these commitments, with progress overseen by the Ampol Leadership Team and the Board's Safety and Sustainability Committee.

In 2022 we have made good progress against the 14 commitments we set ourselves in 2021, some of which are medium-term in nature, and therefore progress is ongoing.

 7 commitments delivered
  6 commitments in progress
  1 commitment delayed

The one initiative that has been delayed is the release of further climate disclosures aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework. We committed to release these disclosures in fourth quarter 2022, and while this work is significantly progressed, we will now be releasing these disclosures during 2023.



Ampol 2022 ESG rating performance

	'AA' rating, increasing from an 'A' rating in 2021
	Average ESG risk management score (47.2) ¹
	3/5
	Governance 2/10 ² Environment 3/10 Social 2/10
	'Comprehensive' ASX200 Sustainability Reporting

1. Sustainalytics ESG Risk Management Rating is categorised across three levels: Strong (100–50), Average (50–25) and Weak (25–0).

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

Sustainability Performance – Our commitment to sustainability continued

2023 – 2025 Sustainability Strategy

In 2022, we refreshed our Sustainability Strategy to align more closely to our purpose and corporate strategy, and to cover all the geographies that we operate in, including Z Energy. We have set principles that will guide our approach to sustainability, and our refreshed strategy will build on strong foundations and the commitments and targets we have already set.

Our vision

Powering positive environmentally and socially sustainable outcomes in the communities in which we operate.

Our principles

Authenticity

Honest and caring action that delivers genuine outcomes for our stakeholders



Leadership

Demonstrating leadership that is aligned with our broader strategy and purpose



Equity

Supporting key sectors of the communities that we operate in



Visibility

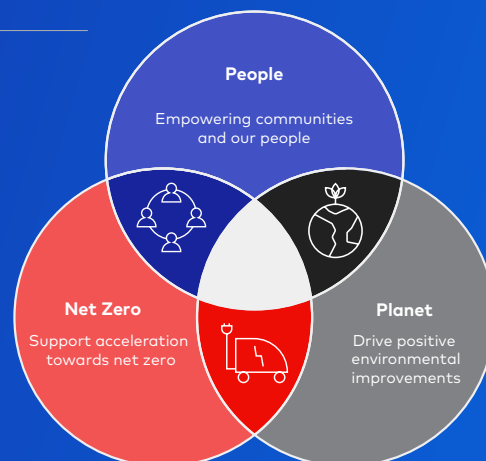
High quality and transparent communication and engagement with our stakeholders



Our sustainability pillars

We aim to leverage our scale and unique capabilities to progress across three sustainability pillars – People, Planet and Net Zero:

- **People** – Empowering communities and our people
- **Planet** – Drive positive environmental improvements
- **Net Zero** – Support acceleration towards net zero



Our focus areas

Under these three pillars we have identified five focus areas and set 2030 goals:

Wellbeing and inclusive workplaces

2030 goal

Drive safe, healthy, equitable and inclusive outcomes for our people including upskilling and development for the energy transition



Indigenous partnerships

2030 goal

Contribute to reconciliation where Aboriginal and Torres Strait Islander peoples have equitable participation in Australian society, and where the long heritage and culture of First Australians is respected. Achieve a material uplift in the representation of Māori & Pasifika as part of our workforce in New Zealand



Supporting communities and nature

2030 goal

Have a positive and measurable impact in the communities where we operate and support nature positive outcomes



Circular economy

2030 goal

Collaborate with our value chain partners, government and industry to reduce waste and support the transition to a circular economy



Decarbonisation

2030 goal

Contribute towards our ambition of net zero emissions across our operations by 2040 together with reducing the emissions intensity of the products we sell to customers and within our supply chain



For each focus area, we have identified initiatives out to 2025 to progress our 2030 goals. The commitments we identified for 2023 are on the following page. For further information on our refreshed Sustainability Strategy, including the 2025 commitments we have set, please refer to the Ampol website.

UN Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) seek to address the most significant challenges our world is facing today by 2030. We believe that businesses have an important role to play in helping to progress these goals, and we have identified ten SDGs where we feel the Ampol Group can make the most meaningful contribution. We will continue to track the progress we make against the SDGs in our sustainability performance reporting.



2023 Sustainability commitments

Wellbeing and inclusive workplaces 	– Broaden our approach and develop an enterprise-wide Diversity and Inclusion Strategy, encompassing all areas of our business – Deliver mental health first aid training for the Ampol Leadership Team – Develop and implement gender representation targets by business and job family – Implement an employee listening tool to improve engagement with our people – Develop a leadership capability framework supported by the implementation of prioritised capability development
Indigenous Partnerships 	– Continued delivery of our Innovate-level Reconciliation Action Plan including delivery of cultural awareness training for the Ampol Leadership Team – Delivery of Te Tiriti and Te Ao Māori training across Z Energy – Increased partnership with TupuToa for Māori and Pasifika internships – Develop our commitment to Te Tiriti/Te Ao Māori
Supporting communities and nature 	– Explore B2B partnership opportunities that deliver environmental and social value – Establish environmental and social return on investment metrics to help inform decision-making – Explore an Australian community partnership to deliver biodiversity and nature positive outcomes
Circular economy 	– Develop and factor circular economy principles into procurement and contractual processes – Supply chain engagement on circular economy – Develop and deliver circular economy employee awareness and education program – Establish a circular economy data management system
Decarbonisation 	– Factor decarbonisation principles into procurement and contractual processes – Supply chain engagement on decarbonisation – Deliver a material uplift to a minimum 180 EV charge points – Release Climate Report aligned with TCFD

Sustainability Performance – People



People

Empowering communities
and our people

2022 Safety
performance

Fuels and Infrastructure

Safety performance is always a high priority for our Fuels and Infrastructure businesses. In 2022 we saw an increase in Total Recordable Injury Frequency Rate (TRIFR) of 4.2 (up from 1.9 in 2021) and a total of 15 recordable injuries (up from 7 in 2021). The rate of impacted days away associated with these injuries also increased by 38%. A review to find opportunities to improve these outcomes identified ways to further strengthen relevant business systems and a Contractor Safety Intervention was undertaken in the second half of 2022 for the relevant departments and has delivered improved results. Improvement initiatives have also been identified for delivery in 2023.

Fuels and Infrastructure *continued*

Process Safety

We recorded one Tier 2 process safety incident at Lytton refinery in the second half of the year, which involved the release of approx. 2,000 litres of flammable oil mixed with water via a pump vent left open whilst transferring slop oil from tank to tank. The release was safely contained within the Oily Water Separator system as per design.

Personal Safety

We also recorded one Category 2 personal injury at Cairns Terminal where a worker placed a hand in a pinch point during a crane lift resulting in a crush injury.

Safety improvement initiatives

Whilst we have seen a decline in safety performance in 2022 compared to the previous year, we have undertaken several interventions and implemented personal safety improvement initiatives to improve safety performance in 2023. Such initiatives include:

- Several proactive programs including mental health leadership training, Strains and Sprains prevention (Move for Life) and a Finish Strong campaign concentrated on identifying the hazards and risks associated with everyday tasks.
- Regular field visits by the Safety and Sustainability Committee and the Leadership team.
- Scheduled activities such as Safe System Inspections (SSIs) and Loss Prevention Observations (LPOs) identifying improvement opportunities.
- Contractor management and interventions to minimise recordable injuries when undertaking routine activities that are seen as lower risk.

Convenience Retail

Being a leader in safety culture is an important driver of our Convenience Retail strategy. In 2022, our Total Recordable Injury Frequency Rate (TRIFR) has reduced to 3.5 (from 4.6 in 2021) with a total of 27 recordable injuries throughout the year (from 34 in 2021). Pleasingly, for the second year in a row, there have been no Category 2 injuries recorded.

Improvements in our safety performance have been achieved through continued strengthening of our safety culture and strong focus on safety behaviours. Initiatives delivered include:

- A store-based program to encourage all team members to flag hazards that they identify in their workplace.
- A continual leadership approach to safety communication whereby senior managers have driven messaging regarding safety behaviours, positive safety culture and learnings around incidents and near misses. Our retail leaders have conducted 3,801 safety leadership visits to sites in 2022.
- Ongoing safe work practice communication through regular and predictable safety messaging and sharing of 'safety stories' through our updated safety black spot program.
- Continued implementation of our multi-year security framework to apply controls to higher risk sites.

Z Energy (Z)

Z Energy's commitment to the safety of employees has not wavered, with a strong operational safety record being maintained in 2022. Over the nine months to the end of December 2022, Z saw an increase in incidents of staff abuse by customers, a trend that is seen across much of New Zealand's retail sector. Z is continually redesigning workplaces to ensure staff safety at retail service station sites, including increasing video monitoring. In addition to this, there has been a spike in 'ram raids' throughout 2022 in New Zealand. In an attempt to make Z's retail service stations a 'harder target' from ram raids, Z has been working on addressing these security risks through interventions such as improving outdoor lighting, reducing hedges, installing CCTVs on potential access points, making access to stores difficult such as through bollards and strengthening automatic doors.

To find out more read Z Energy's Annual Report for the nine months to 31 December 2022, available at the end of February 2023.

People and culture

In October 2022 we sought feedback from our employees through our third consecutive annual culture survey, utilising the Ernst & Young Culture Fitness Diagnostic tool to better understand how we can accelerate our performance through our culture and the way we work.

We are pleased to see that our overall strong cultural health, which combines motivation, positivity and cultural inhibitors, was maintained over the past 12 months. Our 2022 result of 70%, is down one percentage point from 71% in 2021, and we achieved a five percentage-point increase in survey participation to 83% in 2022.

The results showed us that our people are excited to see the transformation of our culture and have great pride in working for Ampol. While some of the results varied across business areas, enterprise-wide we saw an uplift in our employees:

- Feeling connected to our strategy;
- Having pride in our purpose and values as Ampol ambassadors; and
- Receiving greater recognition with a prioritisation of wellbeing from their leaders.

Alongside these positive trends, we have identified that a focus on stronger prioritisation of work expectations as well as the continual simplification in the way we work, is critical as we navigate change with our employees and customers.

This year we also conducted regular lunch and learn sessions as an opportunity for our employees to receive more in-depth training and further information on people development. We also launched our 'Future Energy Development' talks

'FED Talks' which is an initiative built to inspire innovation and encourage curiosity through our own industry experts within the future energy team.

Both these initiatives are examples of how Ampol is helping to build awareness and skill sets as we recognise the critical role our culture plays in delivering our strategy and purpose of *Powering better journeys, today and tomorrow.*

Ampol's Wellbeing Strategy

We strengthened our Wellbeing Strategy in 2021 to deliver a more structured and coordinated approach to physical, mental and social wellbeing for our employees. Endorsed by the Ampol Leadership Team, in 2022 we introduced new leave benefits of Wellbeing Days for our employees to support our approach to wellbeing and flexibility. We also introduced a Mental Health Training plan which consisted of team members in both retail operations and the safety team completing accredited mental health first aider training. We are committed to delivering Mental Health First Aid awareness training for the Ampol Leadership Team in 2023.

We also participated this year in STEPtember, which consisted of 342 participants taking 44 million steps and raising \$20K for people living with cerebral palsy.

Z Energy's focus on wellbeing

Z is committed to providing workplaces that enable safe, productive and engaging work that enhances the physical and mental wellbeing of Z's people, partners and wider communities within Aotearoa, New Zealand. An enhanced Employee Assistance Programme was launched in 2022 to help support employee wellbeing as part of a suite of options that also extends to family members.

To find out more read Z Energy's Annual Report for the nine months to 31 December 2022, available at the end of February 2023.

Z Energy engagement score

Z has typically been in the top 5% for staff engagement globally as measured by their engagement monitoring partner Peakon. In February 2022, Z's staff engagement Net Promoter Score (NPS) peaked at 68, however, towards the end of November, it dipped back down to 57. Whilst the change in score during 2022 reflects the level of organisational change that has occurred within Z to streamline the business following the acquisition by Ampol, Z continues to strive to be a world class kiwi employer. The result is still in the top 10% globally, and reiterates the importance of actively supporting affected people throughout this process.

To find out more read Z Energy's Annual Report for the nine months to 31 December 2022, available at the end of February 2023.



Sustainability Performance – People continued

Diversity and inclusion

Our Diversity and Inclusion Council, comprising representatives from each of our business units and sponsored by our EGM, Fuel Supply Chain, provides stewardship over our Diversity and Inclusion Strategy, which focuses on:

- Gender – increasing the representation of females at Ampol including those in senior leadership roles through the building of robust talent pipelines;
- Aboriginal and Torres Strait Islanders – increasing the equitable participation of First Nations Peoples in Australian society and building a workforce that respects their long heritage and culture;
- Inclusive work practices – executing initiatives that drive inclusiveness and flexibility.

To help celebrate and create an inclusive work environment, in 2022 we recognised and celebrated many cultural days and events throughout the year, including R U OK Day, Harmony Day, International Women's Day, World Aids Day, International Day of Persons with Disabilities, National Reconciliation Week and NAIDOC Week.

Gender

To help guide our progress towards advancing gender representation, we set a goal of 40% female representation in senior leadership positions and a goal to have women hold no less than 30% of Board positions.

As at 31 December 2022, women represented 37.0% of all senior leadership positions, indicating a slight decrease from last year at 37.9%. Overall, women represent 42.3% of our workforce, female representation in Ampol's Senior Executive Team is 33% and coincidentally, female representation on the Ampol Board is also 33%.

In support of advancing gender representation, we also aim to manage our gender-based pay differential in like-for-like roles. As at 31 December 2022, our gender pay differential was 1.3% in favour of males on a like-for-like basis, which is an improvement from the pay differential of 1.4% (in favour of males) twelve months prior.

Inclusive Work Practices

Ampol continues to provide a flexible approach to the way we work to promote health and wellbeing and ensure we attract and retain talent.

Following over two years of COVID-19 impacted work practices, 2022 saw hybrid and flexible work practices become embedded as the new normal across industry. Ampol led through this with a clear framework enabling leaders and team members to navigate the most effective flexible work practices in the context of their customers, role requirements and personal circumstances.

Our approach to inclusiveness is supported by three employee working groups, with growing memberships, regular initiatives and awareness campaigns supporting the strengthening of an inclusive workplace.

Women Inspiring Fresh Ideas (WIFI)

WIFI is an internal networking group focused on empowering women at Ampol as they navigate their careers and build relationships across our integrated value chain, and externally.

WIFI celebrated its seventh year as an employee network group in 2022. The group originally named 'Women In the Fuels Industry', underwent a strategic refresh and relaunched with the new name of 'Women Inspiring Fresh Ideas'. This change was an important step and acknowledges the shift in Ampol's journey, as well as a call to action for our people to collaborate and ensure women's skills and knowledge are shared across teams and the business more broadly.

In 2022, WIFI introduced small group mentoring through the introduction of Development Circles lead by senior leaders across Ampol. The first cohort completed in November, delivering over 360 hours of mentoring and wide interest in the continuation of the Development Circles into 2023. In addition to this:

- WIFI continues to be the conduit to National Association of Women in Operations (NAWO) events, and the CEO Louise Weine was a guest speaker at an employee event held in 2022.
- The group hosted both internal and external speakers, including Ironwoman, Lana Rogers.
- Our networking reach was extended to include newly acquired Z Energy as well as colleagues based in Singapore and Houston.
- A group of high-potential female talent attended UN International Women's Day Event (pictured below).





Ampol Rainbow Alliance (ARA)

ARA is an internal networking group aiming to ensure Ampol is a safe space for all and to bring those of diverse sexualities and genders (collectively, the LGBTQ+ community), and their allies, together to learn, develop and support to achieve their full potential.

This year ARA achieved a number of key milestones in support of their purpose:

- Welcomed Minus18, a new charity partner as part of our *Fuelling Change* workplace giving program that helps to improve the lives of LGBTQ+ youth through social inclusion, advocacy, education and empowerment.
- Became a founding member and launched InterRetail, a newly established network group across some of Australia's largest retailers for LGBTQ+ retail employees and their allies.
- Implemented the 'Welcome Here' project that promotes and visibly welcomes diverse sexualities and genders into our Ampol offices.
- Continued to deliver LGBTQ+ awareness training to the Senior Executive Team, key leaders and People & Culture team members.
- Received Bronze Employer status from the Australia Workplace Equality Index (AWEI) (pictured above). AWEI is an internationally recognised national benchmarking instrument for LGBTQ+ workplace inclusion. This was Ampol's second submission, representing an 82% improvement from our first submission in 2021.

In addition to the above, we continued with our commitment to celebrating days of significance including Sydney Gay and Lesbian Mardi Gras, IDAHOBIT, Wear it Purple Day, and World AIDS Day, through events and awareness campaigns, and continue to be a proud member of Pride in Diversity, Australia's first and only not-for-profit employer support program for LGBTQ+ inclusion.



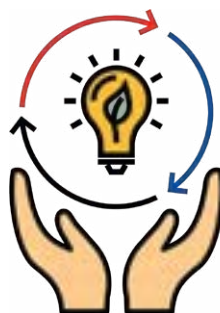
InterRetail+



Ampol Sustainability Ambassadors

This year we created an employee-led program bringing together like-minded people across our business to advocate and help guide the conversation on environmental sustainability throughout our workplaces in order to help us *power change for the better*.

Some of the initiatives delivered in 2022 included a panel discussion with two of CSIRO's Mission Leads on decarbonisation and ending plastic waste, as well as an initiative led by our Ambassadors during National Recycling Week to support the recycling of batteries, printer cartridges and soft plastics.



**Ampol
Sustainability
Ambassadors**

Diversity and inclusion at Z Energy

Z is committed to an ambitious diversity and inclusion policy and has made good progress towards targets in 2022. This has included female representation at 43%, Māori and Pasifika representation at 10%, and narrowing the gender pay gap from 4.0% to 2.49% (all of Z excluding CEO).

In 2022, Z strengthened their long-standing partnership with the TupuToa internship programme, with 25% of female employees participating in the Women Rising Leadership Programme, 50% of employees participated in training on Te Tiriti o Waitangi and received re-accreditation of their Rainbow and Gender Tick. Z Energy have seen their Rainbow Ally Network continue to grow and also launched their Māori Ally Network and Neurodiversity Ally Network. Z have also committed to Salary Transparency and increased KiwiSaver contributions for people on parental leave and working part time to support narrowing of the gender pay gap and gender retirement gap.

To find out more read Z Energy's Annual Report for the nine months to 31 December 2022, available at the end of February 2023.

Sustainability Performance – People continued

Indigenous partnerships

Delivering Ampol's second Reconciliation Action Plan (RAP)

In March 2022 we launched our second Innovate level RAP, a continuation of our journey towards reconciliation and improving outcomes for Aboriginal and Torres Strait Islander peoples. Our RAP consists of 141 commitments grouped into four themes - Relationships, Opportunities, Governance and Respect - to be completed over a two year period.

During the first six months following release, we have delivered 85% of our planned work effort. This has included formalising an Indigenous Procurement Strategy as well as engaging our leaders on Indigenous procurement opportunities. We have also completed foundational cultural awareness sessions with 200 of our top leaders and established a dedicated intranet location for staff which includes information on cultural protocols, RAP commitments and various collateral such as email signature templates.

To find out more read our second Innovate level Reconciliation Action Plan.

Z Energy's commitment to Te Ao Māori

Z has a strong commitment to Te Ao Māori – respect and acknowledgement of Māori customs and protocols. In 2022, 85 people across Z were involved in being the first cohort in an Education Perfect Te Ao Māori program, which has now become accessible to all Z employees. Te Wiki o Te Reo Māori was celebrated with conversations as part of the upcoming work to developing Z's commitment to Te Tiriti o Waitangi. In addition to this, Z has integrated tikanga practices into onboarding processes, as well as translated job titles for employees to use in their email signatures and embedded whakataukī (proverbs) across corporate offices, which highlight the rooms' purpose for each collaboration space.

To find out more read Z Energy's Annual Report for the nine months to 31 December 2022, available at the end of February 2023.



Modern slavery at Ampol

We have established a program to support our business divisions to identify the nature and severity of potential modern slavery risks, as well as our ability to influence the risk in those areas. The insights from this work are then being used to inform our approach and allow us to identify and put in place additional mitigation steps to ensure modern slavery does not form part of our business operations.

We have continued to assess supplier compliance and embedded this as a business-as-usual practice. In 2022, we set a target of 80% of our suppliers completing the Supplier Code of Conduct questionnaire and 100 verification assessments, with both delivered.

We continue to increase awareness and capability related to modern slavery internally and externally, with established working groups to foster new ideas and to identify and address issues in our operations and supply chains. Our focus remains on engaging, collaborating and working with others to address modern slavery and bring about meaningful change.

To find out more read our most recent Modern Slavery Statement.

To find out more read Z Energy's most recent Modern Slavery Statement.

In the community

Ampol Foundation

Established in 2019, the Ampol Foundation is the vehicle through which we deliver our community investment strategy. By leveraging our financial strength, our network, and our people, we aim to bring value and build capacity in the communities in which we operate in, with the focus on improving the lives of Australians.

Supported by the Ampol Leadership Team and led by a committee of employees, the Foundation focusses activities on two key social areas of need – youth education and development, and community wellbeing and safety.

Our total community investment contribution via the Ampol Foundation for 2022 was over \$4.1m, a 29% increase from 2021.

Ampol's Fuelling Change program

Fuelling Change is our Australian workplace giving program, allowing employees to make pre-tax donations to 12 charity partners, with all donations matched by Ampol. In 2022, through this program we were proud to contribute over \$290,000 to our partners, over three times the amount which was contributed in 2021.



Extending Ampol's longest running community program

In December we were proud to present Aaliah Dennison from Devonport's Don College as the national winner of our inaugural Australia's Best All Rounder competition. Aaliah is an accomplished national gymnastics competitor, an Australian Rules Football umpire and has recently been selected into the AFL's Women in Umpiring National Mentorship Program and National Indigenous Kickstart Program. She is anticipating finishing in the top 10 per cent in her final Year 12 exams and was also named Latrobe Council Young Citizen of the Year in 2021.

"Aaliah is willing to grab every opportunity and challenge herself in all of her arts, sport, cultural activities and academic pursuits, all of which she has excelled at a local, state and national level"

– John Thompson, Principal at Don College

"We are proud to be able to recognise the outstanding achievement of all our winners, in particular our first ever national winner, Aaliah Dennison. Everyone at Ampol wishes to congratulate Aaliah for this well-deserved recognition"

– Matt Halliday, Managing Director and CEO

The competition, which also recognised exceptional students in each state across the country, is an extension of our Best All Rounder Award program, which exists to recognise the all-round achievements of school leavers across the country. The program was first delivered in 1985, with the award now presented in over 2,000 schools nationally each year.

Congratulations to Aaliah and all our state winners who received grants for themselves and their schools as part of this important high school recognition program.



Z Energy's Good in the Hood program

Since 2013, Z Energy's Good in the Hood has contributed to a wide range of community organisations and initiatives that matter most within New Zealand local communities. Since the acquisition of Z in 2022, Good in the Hood has given away close to NZ\$1 million to local community groups. Having measured the impact of the program in 2022, Z will be implementing the recommended changes to improve outcomes in 2023.

To find out more read Z Energy's Annual Report for the nine months to 31 December 2022, available at the end of February 2023.

Sustainability Performance – People continued

Ampol's Fuelling Change delivers significant growth in 2022

The 2022 relaunch and refocus on our workplace giving program, Fuelling Change, has delivered strong results, with employee participation and overall contributions to our charity partners tripling over the last year.

The centrepiece of this work was the celebration of Workplace Giving Month in June, aimed at connecting employees to our 12 charity partners.

The *State of Change* campaign fostered healthy competition between our employees in New South Wales, ACT, South Australia, Victoria and Tasmania (Team Blues) and employees in Queensland, Western Australia and the Northern Territory (Team Maroons). The competition linked with Ampol's sponsorship of the Ampol State of Origin, with employees donating over the month having the chance to win travel and two tickets to the final State of Origin game in Brisbane.

The competition coincided with a Fuelling Change 'speed networking' event at our Alexandria Head Office during the month, with the event providing employees the opportunity to get to know our charity partners and make on the spot donations.

Over \$66,000 was raised across the month through employee donations and Ampol matching. Across 2022, we were proud to increase total donations to our partners through Fuelling Change to over \$290,000 with almost 500 employees now giving to charities each month. Recognition for these efforts came at the 2022 Australian Workplace Giving Awards, with Ampol winning the Gold Award for 'Best Program Relaunch' and a Bronze Award for 'Best Innovation'.



Ampol's people making a difference

Convenience Retail community engagement

In 2022 our Convenience Retail teams in Australia helped raise over \$1 million for three of our Ampol Foundation charity partners: The Sebastian Foundation, The Smith Family and Surf Life Saving Australia. The campaigns leveraged the goodwill and skill of our retail teams and the generosity of customers across Australia.

In April, over \$250,000 was raised for The Sebastian Foundation to help support the mental health of over 8,000 young Australians through their Open Parachute initiative. During November and early December, over \$400,000 was raised for Surf Life Saving Australia, with the funds going towards vital upgrades and replacement of lifesaving equipment, volunteer surf lifesavers training and public water safety education. Finally, over \$370,000 was raised for The Smith Family's Learning Clubs program during their mid-year Winter Appeal, with funds to provide access to mentoring and study support to young Australians that most need it.

Fuels and Infrastructure community engagement

In 2022, we reinvigorated our community engagement approach across Fuels and Infrastructure in Australia, adding new resources to continue to improve our relationships with communities where we operate. In addition to the ongoing support of local schools and sporting clubs near our major areas of operation, in 2022, support from Ampol ensured the continued viability and success for a number of community-led initiatives focused on youth, education, the arts and safety.

Our vision for 2023 is to be a trusted, respected and engaged member of the communities where we operate. We will continue to build lasting and positive relationships by connecting and communicating with our stakeholders openly and in an ongoing way. One focus for 2023 will be engaging and consulting with stakeholders close to our operations to demonstrate care and to seek mutually beneficial outcomes.

Singapore community engagement

In 2022, our Ampol Singapore staff coordinated a number of volunteering days and charity events for local organisations. Food from the Heart is a not-for-profit organisation based in Singapore that distributes food to those who need it. Our employees volunteered their time over two half-day sessions packing food and gift bags for low-income families, with additional funds being raised to provide monthly supplies of non-perishable food items to families in need.

Other key volunteering days included employees spending time at the AWWA Dementia Day Care Centre participating in activities with senior citizens and donations being used to help purchase white goods and the upgrading of 100 LED lights. Employees also volunteered their time in the Willing Hearts soup kitchen, which prepares about 11,000 meals daily for distribution to those in need. Finally our employees also purchased and donated Christmas presents under the "Grant a Wish 2022" Children's Wishing Well campaign, which were donated to 75 children during the holiday period.



People | 2022 Planned actions and performance³



Continue to deliver the Convenience Retail and Fuels and Infrastructure safety strategies to deliver industry top-quartile performance	Achieved	→
Increase the representation of women in senior leadership roles to 40%	Progressing	→
Manage our gender-based pay differential in like-for-like roles to +/- 1%	Progressing	
Implement the Ampol Wellbeing Strategy, prioritising increased workforce engagement, uplift in leadership capability and enhanced technology and networking platforms	Progressing	→
Refresh Ampol's anti-bribery and anti-corruption policy	Achieved	✓
Continue to deliver our employee giving program, Fuelling Change, and volunteering programs for employees, targeting a 20% increase in participation levels from 2021	Achieved	✓
Continue to deliver community programs focused on youth education and community wellbeing and safety, including through partnerships with The Smith Family, Surf Life Saving Australia, Clontarf Foundation and Stars Foundation. Deliver a 10% increase in total community investment contribution in 2022	Achieved	✓
Deliver our second Innovate Reconciliation Action Plan. By December 2024, increase the employee population who identify as Aboriginal and/or Torres Strait Islander peoples (Australian workforce only) to 3%	Progressing	→

2023 Priorities

Wellbeing and inclusive workplaces 	– Broaden our approach and develop an enterprise-wide Diversity and Inclusion Strategy, encompassing all areas of our business – Deliver mental health first aid training for the Ampol Leadership Team – Develop and implement gender representation targets by business and job family – Implement an employee listening tool to improve engagement with our people – Develop a leadership capability framework supported by the implementation of prioritised capability development
Indigenous Partnerships 	– Continued delivery of our Innovate-level Reconciliation Action Plan including delivery of cultural awareness training for the Ampol Leadership Team – Delivery of Te Tiriti and Te Ao Māori training across Z Energy – Increased partnership with TupuToa for Māori and Pasifika internships – Develop our commitment to Te Tiriti/Te Ao Māori

3. 2022 planned actions limited to Australian operations, while 2023 priorities are enterprise-wide and incorporate Australia, New Zealand (Z Energy) and Singapore operations.

Sustainability Performance – Planet



Planet

Drive positive environmental improvements

Environmental management

Protecting the environment is central to our social licence to operate. During 2022 we have continued the delivery of our group-wide environmental management governance framework and strategy. The objective is to align our business operations with the principles set out in the ISO14001:2015 Environment Management Systems standard and improving our performance over time. Lytton refinery is both ISO9001 and ISO14001 certified and seven of our terminal facilities across NSW, QLD and WA have ISO14001 certification. However, the management of the environmental aspects of our operations is consistent across all our operations.



2022 Environmental performance

Fuels and Infrastructure

Kurnell Terminal spill

In April 2022, as part of a 1 in 100-year rain event, the wastewater separators at our Kurnell Terminal in NSW overflowed, causing 9,200 litres of hydrocarbons mixed with stormwater to be released into the community. Ampol accepted responsibility for the spill and apologised to the Kurnell community for the significant impact caused. We are committed to continuous improvement and building trust in the Kurnell community.

This incident was classified as a Category 3 severity environmental incident. The initial clean-up and remediation work following the event was completed in June 2022. We also performed an investigation following the incident, which identified that our wastewater and associated systems were working, however the combination of a significant rainfall event (a 1 in 100-year storm), high ground water levels following significant ongoing rainfall in Sydney and a peak high-tide resulted in the overflow.

Following the incident, our Kurnell stormwater system has been modified, allowing for larger volumes of stormwater to be diverted and better segregation of stormwater and wastewater. In addition, the findings from our investigation have been shared with the Kurnell community and we have since appointed a Community Engagement Manager based in Kurnell to improve ongoing engagement and communication, including around ongoing operations. In late 2022, we also launched an Ampol Kurnell Community Fund to contribute grants to needed community projects. We continue to hold ongoing engagements with regulators including the NSW Environmental Protection Authority regarding this matter.

Access to our Kurnell community updates, which document the event and our response, can be found at

www.ampol.com.au

Newcastle Terminal contamination

In November the NSW EPA made the decision to extend and declare the whole of our Newcastle Terminal as significantly contaminated land due to historic spills. This followed earlier declarations and notifications in 2016 and 2019 regarding contamination in the southern part of the terminal, which is being managed through an ongoing remediation action plan.

We continue to work with the NSW EPA, with notifications to the local community completed with a commitment to continue to update local stakeholders as further works are delivered. This includes further investigative works by an independent environmental contractor, who will also perform any required clean up and remediation activities. An ongoing monitoring program will also be established to ensure there are no community impacts.

PFAS transition

Per- and poly-fluorinated alkyl substances (PFAS) are manufactured chemicals used to make products resistant to heat, stains, grease and water and are used in a variety of applications such as in firefighting foams. These chemicals can have a negative impact on the natural environment since they are persistent over time and can accumulate. We are required by law to maintain firefighting capability and resources at our facilities to safely contain a fire in the unlikely event one should occur.

There are several regulatory requirements to replace PFAS firefighting foam with environmentally non-persistent alternatives. Queensland was one of the first states to change legislation, where we have prioritised the transition of firefighting foam and up until the end of 2022 have successfully transitioned more than 148,000 litres of stock, with a further 58,000 litres still to be transitioned. Our aim is to be fully transitioned in Queensland by 2024. We will also commence the transition to PFAS-free firefighting foams in New South Wales in 2023 in accordance with compliance requirements.

Convenience Retail

Convenience Retail has continued to deliver its Underground Petroleum Storage System (UPSS) Risk Reduction Program, including delivering improvement opportunities to proactively manage risk. We have commenced trialling a tank lining solution over a full UPSS tank replacement as an alternative to tank replacement on some sites. In 2022 we also performed a comprehensive review of our company-owned retail network to ensure adequate oversight of environmental risks, as well as supporting our employees to maintaining UPSS asset integrity.

Pleasingly, we had no Category 2 or 3 environmental incidents in 2022.

Water management

It is critical for us to effectively manage water usage across our facilities, in particular our facilities that require a high volume of water for operational purposes. Lytton refinery continues to be our biggest water user, comprising 85% of our overall consumption in 2022. The majority of water used at the refinery is recycled from an external wastewater treatment plant located close to our facility (41%) or reused condensate to generate steam (25%). Both these measures help to minimise our draw on potable water.

Waste minimisation

Fuels and Infrastructure

Waste within our Fuels and Infrastructure business is predominantly hazardous and has limited options to be recycled or repurposed. Remediation works are continuing at Kurnell, treating legacy soil contamination connected to previous refinery operations on the site. As a result of these remediation activities, 17,101 tonnes of hazardous waste were sent to landfill in 2022. As we remediate our sites, we will continue to comply with state and federal regulations regarding the treatment of hazardous waste.

Convenience Retail

We are always looking for ways to continually evolve and adopt a circular economy approach across our Convenience Retail business to reduce resource use and waste ending up in landfill. In 2022 we continued to implement a range of waste minimisation initiatives, including removing products from stores with higher waste volumes, trialling the Western Australian Return Recycle Renew (WARRRL) Containers for Change program in a number of Perth locations, installing used clothes collection bins in our forecourts at selected sites in the Sydney metropolitan area, and commencing a short trial with WIRES to collect used fresh food produce for sick, injured and orphaned animals in care.

Sustainability Performance – Planet continued

WIRES food donation trial

We delivered a 12-week trial program in partnership with WIRES to rescue and donate fresh produce items at six selected Ampol Woolworths MetroGo locations in Victoria and NSW that otherwise would have been sent to landfill. WIRES is Australia's largest wildlife rescue organisation; and their Food for Wildlife program uses donated fresh produce to help support and feed wildlife in care. This has been a test and learn approach for both of us to understand the logistics and mutual benefits in achieving our common goal of diverting food waste from landfill.



Containers for Change

Towards the end of 2021, we partnered with the not-for-profit organisation Western Australia Return Recycle Renew (WARRRL) to implement a trial at six of our Ampol retail locations in Perth through their Containers for Change program. The program allows for customers to dispose of recyclable drink containers with a 10c reimbursement mark on them in labelled bins we have set up in our forecourts, with all funds from the 10c reimbursements being donated to The Sebastian Foundation. The program has helped avoid over 12,000 containers from ending up in landfill, and in 2023 we will be looking at options to expand the program across all Ampol locations in Perth.



E-Thread

In 2022, we began a partnership with E-Thread, a family-owned Australian organisation that offers a nationwide solution to help tackle the social and environmental implications of used and unwanted clothing. Their tailored garment recovery program redirects unwanted clothing from landfill by either upcycling and issuing them to local and global communities or to social charitable enterprises. Some garments that are unable to be upcycled, are repurposed into rags. Since April 2022, we have diverted up to 36,339 kg of unwanted clothing from landfill via bins located in eight of our Sydney metropolitan retail locations.

36,339kg

of unwanted clothing
diverted from landfill

Z Energy's Trees that Count partnership

In 2022, Z committed to a \$500,000 three-year investment partnership with Trees That Count, a New Zealand based conservation charity that plants native trees across the country. Z has supported 76 community planting groups through Trees That Count since 2017. This new partnership will help to contribute to a science and research project to support the acceleration of indigenous biodiversity, focusing on experimenting with the use of seed islands and nursery crops.

To find out more read Z Energy's Annual Report for the nine months to 31 December 2022, available at the end of February 2023.





Planet | 2022 Planned actions and performance⁴

Trial initiatives to reduce waste going to landfill from our Retail network including container recycling, food donation and sustainable packaging solutions	Achieved	✓
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2023 Priorities

Supporting communities and nature



- Explore B2B partnership opportunities that deliver environmental and social value
- Establish environmental and social return on investment metrics to help inform decision-making
- Explore an Australian community partnership to deliver conservation, biodiversity and nature positive outcomes

Circular economy



- Develop and factor circular economy principles into procurement and contractual processes
- Supply chain engagement on circular economy
- Develop and deliver circular economy employee awareness and education program
- Establish circular economy data management system

4. 2022 planned actions limited to Australian operations, while 2023 priorities are enterprise-wide and incorporate Australian, New Zealand (Z Energy) and Singapore operations.

Sustainability Performance – Net Zero



Net Zero

**Support acceleration
towards net zero**

Decarbonising our emissions across our operations

Our Decarbonisation strategy was developed to address the emissions associated with our operations (Scope 1 & 2), together with Scope 3 emissions associated with our supply chain and customers' combustion of Ampol products. The strategy sets an ambition to reach net zero emissions on an absolute basis across Australian operations by 2040, with operational emissions reduction targets consistent with this objective for 2025 and 2030.

To find out more read our Decarbonisation strategy [here](#).

Fuels and Infrastructure

Lytton refinery accounts for 98.9% of our Scope 1 emissions. While our forecasting and modelling sees Australian liquid fuels demand continuing beyond 2030, we recognise there is a need to improve the operations of the refinery to meet our progressive improvement targets toward our decarbonisation ambition of reaching net zero operational emissions by 2040.

In 2022, we deployed a software tool enabling us to better monitor and identify when maintenance and cleaning of the crude unit pre-heat exchanger needs to be carried out. The software tool also aids with the management of fouling, the build-up of unwanted material deposits, and the associated energy loss. In early 2023, we will be able to fully understand the impact the software system is having on efficiency improvements and subsequent emissions reductions.

Other process efficiency projects that have progressed in 2022 but are at different stages of implementation and completion, include the replacement of economisers on two boilers, as well as the reconfiguration of the prefractionator tower (a distillation tower) in the feed section of the reformer unit. Both these projects have a target completion date of 2024.

For Distribution, our two Western Australian Terminal facilities Albany and Kalgoorlie were captured in our renewable energy procurement contract with Alinta Energy and delivered in 2022 as a renewable energy strategy initiative.

In 2023 we will increase our focus on a supportive decarbonisation culture and are putting in place a dedicated role to deliver on all aspects of our program. This will include further education and awareness programs so that our people understand how decarbonisation relates to their role.

Convenience Retail

Our retail operations accounted for 39.9% of our overall location-based Scope 2 emissions in FY2022. In 2022, we conducted an energy audit of 12 retail locations to help us measure usage and better understand and identify energy savings opportunities. From this, we piloted LED lighting upgrades in seventeen NSW, Victoria, Queensland, South Australia and Western Australia locations to test and learn an optimal approach. The results of the pilot have demonstrated benefits in a number of locations and deployment has begun across additional sites in Victoria and NSW as a priority in 2023 before reviewing for further applicability across the country in 2024.

In addition to switching to LED lights, we have conducted a culture diagnostic survey of our retail team members to help us understand energy efficiency behaviour. From this we developed a strategy and rolled out a plan for our retail staff members, focusing on encouraging behavioural changes, such as switching off lights when not in use, maintaining air-conditioning temperatures, and installation of technologies like sensors to automatically turn off and on canopy and amenities lights.

Commencing in 2023, we will begin the installation of solar panels at ~50kW capacity per site at 99 of our retail locations that will align with our AmpCharge EV fast-charging infrastructure rollout.

For personal use only

Supporting our customers and positioning for the transition to a low carbon future

The energy transition presents an opportunity for the business to evolve with our customers as their energy needs change.

Our future energy strategy pursues the opportunities arising from the energy transition that leverage our core assets and capabilities to establish an attractive position in new energy products and services. By the end of 2023 Ampol will have invested up to \$15 million in developing and preparing a suite of future energy initiatives, while also building a team of experts to guide our approach. This includes low emissions opportunities within electrification, hydrogen and other new products and solutions, as well as collaborating with a range of partners to develop and deliver low emission solutions for our customers.

To find out more read our future energy strategy [here](#).

Electric vehicles and the launch of AmpCharge

We believe battery electric vehicles (EVs) will play a critical role in helping our customers decarbonise and in cutting emissions in the transport sector. EV charging services are a natural extension of our transport product offerings, and we believe we have a strong role to play in supporting the uptake of EVs in Australia.

In 2022, we unveiled our EV charging solution, AmpCharge. Our vision for AmpCharge is to be the market leading e-mobility brand in Australia by providing energy for any vehicle our customers drive, anytime they want it, where they need it.

Our first AmpCharge locations were opened in five sites across the country – Alexandria in Sydney NSW, Carseldine in Queensland, Northmead in NSW, Altona North in Victoria and Belmont in Western Australia. All of these locations acted as test and learn pilot sites and we look forward to expanding the rollout of this program in 2023.

More information can be found in the future energy operations report section of this report.

Z Energy expanding its EV charging rollout

Z is rapidly expanding its EV charging network to meet the forecast demand of electric vehicles sales in New Zealand over the coming years. In November 2022, Z Energy announced a partnership with EV technology company Red Phase to introduce the first super high-speed EV charging station at Z's Waiouru retail service station site. This demonstration project is expected to be a 'test and learn' approach as to whether there is a commercial opportunity across other parts of Z's network to utilise this technology in areas that have electricity supply constraints.

To find out more read Z Energy's Annual Report for the nine months to 31 December 2022, available at the end of February 2023.

AmpCharge powers the TOCEVA racing team

In 2022 we announced our naming rights sponsorship of the TOCEVA Racing Team. TOCEVA, the 'Tesla Owners Club Electric Vehicle Association Australia', entered the only Electric Vehicle rally car in the 2022 Perth to Sydney Marathon, which began in Perth's Wellington Square on 28 October and arrived at Warwick Farm in Sydney ten days later on 6 November. The event helped drive excitement and further interest in battery electric vehicles with the AmpCharge branding being front and centre on the TOCEVA rally car.

To enable this achievement, a dedicated team of volunteers helped to deploy two mobile charging trucks, one with an 80kw EV charger and the other with a 100kw charger, that travelled alongside the rally car to allow for recharging when required – both chargers were also powered by used cooking oil.

Jon Edwards, TOCEVA Racing Team manager, said the Ampol sponsorship helped ensure the team was prepared to deliver their best during the ten-day event. He said "We are taking on an unprecedented challenge crossing the country in an EV navigating some very remote gravel roads competing in a field of nearly 80 conventionally fuelled rally cars. We are pleased to be promoting the Ampol AmpCharge brand which fits perfectly with our EV racing ambitions and desire to be part of the energy transition."

This sponsorship reflects our long connection with Australian motorsport and our transition to support the uptake of battery electric vehicles across Australia.



Sustainability Performance – Net Zero continued

Hydrogen

We believe that hydrogen has an important role to play in the future energy mix and in the decarbonisation of Australia's transport sector. For hydrogen to become a mainstream option for the fuel user of the future, users will need to have confidence that hydrogen supply is safe, reliable, and convenient, as well as supported by a network of refuelling infrastructure that is close to where it will be needed.

Our strategically located fuels infrastructure, including retail, manufacturing and distribution assets, put Ampol in a unique position to contribute as the hydrogen industry further develops in the years ahead.

Expansion of Ampol Carbon Neutral program

In 2022 we announced as a future energy Initiative the expansion of our Climate Active certified carbon neutral program to all our business-to-business customers. We continue to acknowledge that this is an interim solution and small step that forms just one part of our future energy portfolio of options we are building for our customers to assist them on their decarbonisation journey, more notably when purchasing our tradition fuel products this coming decade whilst lower carbon alternatives scale. Our portfolio of projects consists of international and Australian nature-based solutions including Human Induced Regeneration (HIR) and Avoided Deforestation (AD) projects. The program is also certified under the Climate Active Carbon Neutral Standard.

Next Generation Fuels

In 2022, we started exploring further strategic options towards becoming a leader in alternative next generation fuels as a way to help assist our customers with their decarbonisation goals. This includes looking at the sourcing, distribution, sales and potential manufacturing of alternative fuels such as renewable diesel and Sustainable Aviation Fuel (SAF).

We have employed a small team of experts to further build out our strategy. As part of this, in 2022 we became a key industry collaborator in the Climate Leaders Coalitions (CLC) 'FlyCo' proof of concept as part of their Scope 3 Roadmap published in November, which looks at addressing scope 3 emissions within the SAF value chain that aligns with a 1.5°C scenario.

Endua

In May 2021, we announced our partnership with Endua, an early-stage Australian developer of hydrogen-based microgeneration and storage technology. Last year's focus for Ampol and Endua was on design workshops, experiments on fluid flow and materials corrosion, and building and testing an electrolyser based on CSIRO's design fundamentals. At the start of 2022, the team has

produced a scalable electrolyser design and consequently have been laying the groundwork for what will be Endua's initial sales pipeline. In 2022 the team also conducted further electrolyser testing by automating their test rig and enhancing their in-house manufacturing capabilities. As we move into 2023, work will continue with plans to build Endua's first demonstrator plant.





Net Zero | 2022 Planned actions and performance⁵

Execute Energy Management Plans including delivering energy and process efficiency trials to test if suitable for broader application	Achieved	✓
Rollout rooftop solar panels across our Retail network in conjunction with EV charging station installation	Progressing	→
Deliver our Future Energy Plan including ARENA EV charging rollout, small-scale energy retailing and development of biofuels strategy <i>Our energy retailing trial was delivered for a group of Ampol employees</i>	Progressing	→
Release of further climate disclosures aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework in Q4 2022 <i>We committed to release these disclosures in Q4 2022, and while this work is significantly progressed, we will now be releasing in 2023</i>	Delayed	⊘
Continued climate change advocacy including through our Australian Climate Leader Coalition membership	Achieved	✓

2023 Priorities

Decarbonisation



- Factor decarbonisation principles into procurement and contractual processes
- Supply chain engagement on decarbonisation
- Deliver a material uplift to a minimum 180 EV charge points
- Release Climate Report aligned with TCFD

5. 2022 planned actions limited to Australian operations, while 2023 priorities are enterprise-wide and incorporate Australia, New Zealand (Z Energy) and Singapore operations.

Sustainability Data

2022 sustainability performance data included in Ampol's 2022 Annual Report excludes Z Energy. In 2023 we will look to integrate Ampol and Z Energy's sustainability data. For Z Energy's 2022 sustainability performance data please refer to Z Energy's Annual Report for the nine months to 31 December 2022, available at the end of February 2023.

	2018	2019	2020	2021	2022
People					
Employee headcount ⁽¹⁾	6,629	7,644	8,127	8,381	8,790
Permanent full-time	2,453	2,491	2,350	2,417	2,549
Permanent part-time	2,254	3,183	2,128	1,505	1,076
Fixed-term contract full-time employees	66	51	52	51	61
Fixed-term contract part-time employees	66	5	4	20	17
Casual employees	1,790	1,914	3,593	4,388	5,087
Female representation at leadership level (%)	34.4	37.4	37.7	37.9	37.0
Overall female representation (%)	40.7	42.6	42.8	41.9	42.3
Gender-based pay differences (%)	1.1	0.4	1.8	1.4	1.3
Cultural health score (%)	n/a	n/a	63	71	70
Voluntary turnover (%)	23	27	17	20	21
Total community investment (\$m) ⁽²⁾	2.36	2.48	2.47	3.17	4.10
Community complaints	32	62	34	27	90 ⁽³⁾
Total Recordable Injuries					
Fuels and Infrastructure	32	42	17	7	15
Convenience Retail	52	93	66	34	27
Category 2 Severity Injuries					
Fuels and Infrastructure	1	1	0	1	1
Convenience Retail	1	0	1	0	0
Total Recordable Injury Frequency Rate⁽⁴⁾					
Fuels and Infrastructure	7.7	10.7	4.6	1.9	4.2
Convenience Retail	10.4	14.0	10.1	4.6	3.5
Days Away from Work Injury Frequency Rate⁽⁵⁾					
Fuels and Infrastructure	1.5	3.8	1.1	0.8	1.1
Convenience Retail	2.8	7.8	4.8	2.4	1.8
Fatalities	0	0	0	0	0
Process Safety⁽⁶⁾					
Tier One Safety event	1	0	0	0	0
Tier Two Safety event	1	2	1	3	1
Planet					
Major Spills (Vol (l) >=8,000L)	0	0	0	0	1
Minor Spills (160 < Vol (l) <8,000L)	5	5	4	8	9
Marine Spills (Any quantity)	0	2	0	1	2
Category 2 Severity Environmental Incident ⁽⁷⁾	n/a	n/a	0	1	0
Category 3 Severity Environmental Incident ⁽⁸⁾	n/a	n/a	1	0	1
Water use⁽⁹⁾					
Potable water use – excluding Lytton refinery (kL) ⁽¹⁰⁾	n/a	484,226	534,049	460,551	550,468
Potable water use – Lytton refinery (kL)	n/a	680,172	612,933	733,580	1,080,392 ⁽¹¹⁾
Recycled water (purchased) + reused (refinery condensate) – Lytton refinery (kL)	n/a	1,925,239	1,342,376	2,081,600	2,135,403

(1) Employee headcount excludes Z Energy.

(2) Total community investment includes cash donations, funds raised from customers in our retail network, in-kind support (including provision of fuel products), employee contributions, volunteering hours and management fees.

(3) Increase in Community Complaints is in relation to the April 2022 Kurnell incident with 51 recorded in April and May.

(4) Total number of occupational injuries per one million hours worked. Occupational injuries include an injury requiring days away from work, restrictions in the work performed or medical treatment.

(5) Total number of days away from work per one million hours worked. Days away from work is defined as the number of days a worker is certified by a physician to be unfit to perform normal duties, starting from the day after the incident occurred.

(6) A process safety incident is an unplanned or controlled loss of primary containment or any material including non-toxic and non-flammable materials from a process or an undesired event or condition. Process safety events are classified as Tier 1 of greatest consequence or Tier 2 of lesser consequence.

(7) Category 2 severity environmental incidents resulting in three months or more remediation effort. Capturing and reporting of environmental incidents commenced in 2020.

(8) Category 3 severity environmental incidents resulting in three months or more remediation effort. Capturing and reporting of environmental incidents commenced in 2020.

	2018	2019	2020	2021	2022
Waste volumes⁽¹²⁾					
Fuels and Infrastructure					
Recycled or reused hazardous waste – liquids (kL)	n/a	3,695	3,002	3,096	4,248
Landfill hazardous waste – liquids (kL)	n/a	4,570	4,567	4,389	4,269
Recycled or reused hazardous waste – solids (tonnes)	n/a	13,564 ⁽¹³⁾	1,490	0	114
Landfill hazardous waste – solids (tonnes)	n/a	5,528	2,705	22,023 ⁽¹⁴⁾	17,101
Convenience Retail					
Recycled or reused waste – solids (tonnes)	n/a	1,752	1,745	1,727	1,874
Landfill waste – solids (tonnes)	n/a	6,254	5,673	5,227	4,021
Total air pollutants – Lytton refinery (tonnes)					
CO	3,991	5,819	3,699	4,004	6,402
SO ₂	5,987	5,933	3,650	5,907	5,758
VOC	890	1,059	818	905	1,019
NO _x	941	888	574	979	980
PM	497	538	369	464	442
Net Zero					
Total energy consumed (GJ)⁽¹⁵⁾	252,861,147	234,439,503	192,039,943	180,890,934	244,007,682
Lytton refinery (excluding lubricants) (GJ)	249,460,789	231,137,212	189,411,300	178,025,514 ⁽¹⁶⁾	241,683,136
Terminals, lubricants and others (GJ)	3,153,282	2,963,596	2,231,713	2,398,319	1,866,362
Convenience Retail (GJ)	247,076	338,695	396,930	467,101	458,184
Energy Intensity Index ⁽¹⁷⁾ – Lytton refinery	99.2	102.4	101.4	95.9	99.9
Scope 1 (tCO₂e)⁽¹⁸⁾	739,832	673,668	576,611	551,804	727,358
Lytton refinery (excluding Lubricants)	710,677	646,846	561,618	539,067	717,291
Terminals, lubricants and others	29,155	26,822	14,993	12,737	10,067
Scope 2 (tCO₂e)⁽¹⁹⁾	210,821	230,539	222,097	231,720	243,247
Lytton refinery (excluding Lubricants)	122,086	117,603	104,591	104,105	126,091
Terminals, lubricants and others	33,054	37,062	29,582	25,239	25,703
Convenience Retail ⁽²⁰⁾	55,681	75,874	87,924	102,376	91,453 ⁽²¹⁾
Total Scope 1 & 2 (tCO₂e)	950,653	904,207	798,708	783,524	970,605
Scope 3 (tCO₂e)⁽²²⁾	n/a	41,116,116	38,234,452	34,946,531⁽²³⁾	32,031,963⁽²⁴⁾
Emissions Performance					
Total Emissions (Scope 1 and 2) per kL of Total High Value Product, Lytton refinery (tCO ₂ e/kL)	n/a	0.1366	0.1426	0.1486	0.1428 ^{(18),(19),(25)}
Total Emissions (Scope 1 and 2) per Total Fuel Throughput, Terminals (tCO ₂ e/kL)	n/a	0.0019	0.0015	0.0025	0.0024 ^{(18),(19),(26)}

(9) Capturing and reporting water use commenced in 2019.

(10) Potable water outside of Lytton refinery is an aggregate estimate based off our largest facilities.

(11) 2022 increase in potable water use at Lytton refinery attributed to strong production and occasional operational issues requiring additional water.

(12) Capturing and reporting waste volumes commenced in 2019.

(13) Waste was sent to VIC which had the potential to be reused.

(14) 21,239 tonnes of hazardous waste is attributed to remediated soil waste at Kurnell NSW. Due to NSW EPA compliance requirements, our hazardous waste could not be recycled or reused, so was subsequently treated and sent to landfill.

(15) Energy figures (GJ) are calculated between 1 July to 30 June.

(16) Reduced energy consumption for Lytton refinery is related to the impacts of COVID-19 on production volumes.

(17) Data is based on Solomon Associates Energy Intensity Index 2010 methodology.

(18) Scope 1 (tCO₂e) figures are calculated between 1 July to 30 June. Scope 1 and 2 emissions are calculated in accordance with the Australian National Greenhouse and Energy Reporting Determination 2008.

(19) Scope 2 (tCO₂e) figures are calculated between 1 July to 30 June.

(20) There are no material Scope 1 emissions for the Convenience Retail business.

(21) 2022 metric also takes into account market-based methods of emission reductions through a renewable energy procurement contract.

(22) 2019, 2020 and 2021 Scope 3 emissions are associated with the downstream activity of combustion of sold products in Australia and New Zealand only. Scope 3 emissions are calculated by an independent consultant to meet Climate Active requirements and are peer reviewed.

(23) 2020 was the first year we collected and reported Scope 3. The figure was 1 January 2019 to 31 December 2019 and was selected as it was most representative of a year of regular operations and a requirement to calculate a baseline for our Climate Active certification. In our 2020 Sustainability Report we did not specify that it was 2019 data.

(24) Due to data confidentiality in relation to the acquisition of Z Energy and the sale of Gull New Zealand in May, 2022 Scope 3 emissions are associated with the downstream activity of combustion of sold products in Australia only.

(25) 2022 intensity metric is for our Lytton refinery facility only (excludes the Lubricants facility).

(26) 2022 intensity metric is for our three largest Terminal facilities; Kurnell NSW, Banksmeadow NSW and Newport VIC.



Independent Limited Assurance Report to the Directors of Ampol Limited

Conclusion

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the Selected Sustainability Information which has been prepared by Ampol Limited in accordance with Ampol policies, procedures, and methodologies (the Criteria) for the reporting period 1 January 2022 to 31 December 2022 (except where otherwise stated).

Information Subject to Assurance

The Selected Sustainability Information, as presented in the Ampol Limited 2022 Annual Report and available on the Ampol Limited website, comprised the following:

Selected Sustainability Information	Value Assured
Total Recordable Injuries (TRI) (number) - Fuel and Infrastructure	15
Total Recordable Injuries (TRI) (number) - Convenience Retail	27
Total Recordable Injuries Frequency Rate (TRIFR) - Fuels and Infrastructure	4.2
Total Recordable Injuries Frequency Rate (TRIFR) - Convenience Retail	3.5
Days Away from Work Injury Frequency Rate (DAWIFR) - Fuels and Infrastructure	1.1
Days Away from Work Injury Frequency Rate (DAWIFR) - Convenience Retail	1.8
Tier One Safety Event (number)	0
Tier Two Safety Event (number)	1
GHG Emissions Scope 1 (tCO ₂ e) – 1 July 2021 to 30 June 2022	727,358
GHG Emissions Scope 2 (tCO ₂ e) – 1 July 2021 to 30 June 2022	243,247
Total Emissions (Scope 1 and 2) per kL of Total Fuel Throughput, Terminals (tCO ₂ e/kL) - 1 July 2021 to 30 June 2022	0.0024
Total Emissions (Scope 1 and 2) Convenience Retail (tCO ₂ e) - 1 July 2021 to 30 June 2022	91,453
Total Emissions (Scope 1 and 2) per kL of Total High Value Product, Lytton Refinery (tCO ₂ e/kL) - 1 July 2021 to 30 June 2022	0.1428
≥ \$15m Future Energy Investment Made	Yes
Fuels and Infrastructure – one or more Renewable Energy Strategy Initiatives Delivered	Yes
Convenience Retail – Successful Completion of energy management Tranche 1 initiatives at select retail sites across the Convenience Retail Business	Yes
100% of the energy used for ARENA-funded EV charging stations offset with renewable energy certificates	Yes
12 EV Charge Points operated or controlled by Ampol Group by 31 December 2022.	12
At least one (1) Future Energy Initiative has been delivered in the period	Yes

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Criteria Used as the Basis of Reporting

The criteria used in relation to the Sustainability Information presented in Ampol Limited Annual Report are Ampol policies, procedures, and methodologies as documented in Ampol Limited's Bases of Preparation (the Criteria).

Basis for Conclusion

We conducted our work in accordance with the Australian Standard on Assurance Engagements ASAE 3000 and ASAE 3410 Assurance Engagements on Greenhouse Gas Statements (Standards). In accordance with the Standards, we have:

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

Summary of Procedures Performed

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

- enquiries with relevant Ampol Limited personnel to understand the internal controls, governance structure and reporting process of the information subject to assurance;
- reviews of relevant documentation including the 2022 Ampol Sustainability Report Limited Assurance Basis of Preparation and the Sustainability Linked Loan Principles by the Asia Pacific Loan Markets Association and Loan Markets Association Framework;
- analytical procedures over the information subject to assurance;
- interviews with Corporate Head Office (Sydney) and Lytton refinery;
- walkthroughs of the information subject to assurance to source documentation on a sample basis;
- evaluating the appropriateness of the criteria with respect to the information subject to assurance; and
- reviewed the Sustainability Information in the Annual Report in its entirety for consistency with our overall knowledge of the assurance engagement.

How the Standard Defines Limited Assurance and Material Misstatement

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

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



Use of this Assurance Report

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

Management's responsibility

Management are responsible for:

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

Our Responsibility

Our responsibility is to perform a limited assurance engagement in relation to the information subject to assurance for the reporting period 1 January 2022 to 31 December 2022 (except where otherwise stated), and to issue an assurance report that includes our conclusion.

Our Independence and Quality Control

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

KPMG

20 February 2023

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2022 Financial Report



Financial Report – Directors Report



The Board

The directors of Ampol Limited (Ampol) present the 2022 Directors' Report and the 2022 Financial Report for Ampol and its controlled entities (collectively referred to as the Group) for the year ended 31 December 2022. An Independent Auditor's Report from KPMG, as external auditor, is also provided.

Board of Directors

The Board of Ampol comprises Steven Gregg (Chairman), Matthew Halliday (Managing Director and CEO), Simon Allen, Mark Chellew, Melinda Conrad, Elizabeth Donaghey, Michael Ihlein, Gary Smith and Penny Winn.

1. Steven Gregg

Chairman and Independent Non-executive Director

Date of appointment: 9 October 2015

Board Committees: Nomination Committee (Chairman)

Steven Gregg is the Chairman of Ampol.

Steven has over 30 years' experience in investment banking and management consulting in Europe and Australia.

He brings to the Board extensive executive, corporate finance and strategic experience.

Steven is also the Chairman of The Lottery Corporation Limited and a director of Challenger Limited, Challenger Life Company Limited, and William Inglis & Son Limited. He is also the Chairman of Unisson Disability Limited. He has previously served as Chairman of Goodman Fielder Limited, Austock Group Limited and Tabcorp Holdings Limited.

Steven has extensive Australian and international executive experience, with ABN AMRO (as Senior Executive Vice President and Global Head of Investment Banking), Chase Manhattan, Lehman Brothers and AMP Morgan Grenfell. His most recent executive role was as a Partner at McKinsey & Company.

Steven holds a Bachelor of Commerce from the University of New South Wales.

2. Matthew Halliday

Managing Director and CEO

Date of appointment: 29 June 2020

Matthew Halliday was appointed Managing Director and Chief Executive Officer in June 2020. He joined Ampol in April 2019 as Chief Financial Officer.

Prior to joining Ampol, Matthew enjoyed a successful career with Rio Tinto spanning 20 years, where he held senior finance and commercial roles across several divisions and geographies.

Matthew is a Chartered Accountant and holds a Bachelor of Commerce from the University of Western Australia and an MBA from London Business School.

3. Simon Allen

Independent Non-executive Director

Date of appointment: 1 September 2022

Board Committees: Safety and Sustainability Committee and Nomination Committee

Simon Allen has over 30 years' commercial experience in New Zealand and Australian capital markets and was Chief Executive of investment bank BZW/ABN AMRO in New Zealand for 21 years.

He is currently Chair of IAG (New Zealand) Limited, a Director of IAG Limited, Chair of Z Energy Limited and a Director of Z Energy 2015 Limited (both wholly owned subsidiaries of Ampol) and a Trustee of the New Zealand Antarctic Heritage Trust.

He was the inaugural Chair of NZX Limited as well as the Financial Markets Authority and Crown Fibre Holdings Limited (renamed Crown Infrastructure Partners Limited) and Chair of Channel Infrastructure NZ Limited (formerly The New Zealand Refining Company Limited).

Simon is a Chartered Fellow of the New Zealand Institute of Directors.

Simon holds a Bachelor of Science from the University of Otago and a Bachelor of Commerce from the University of Auckland.

4. Mark Chellev

Independent Non-executive Director

Date of appointment: 2 April 2018

Board Committees: Safety and Sustainability Committee, Human Resources Committee and Nomination Committee

Mark Chellev brings to the Board international expertise in industry, strategy, governance and large capital projects with a background in manufacturing, mining and process industries. He is currently Chairman of Cleanaway Waste Management Limited and Chairman of Downer EDI Limited. Mark was formerly Chairman of the industry body Manufacturing Australia and a director of Virgin Australia Holdings Limited and Infigen Energy Limited.

Mark was the Chief Executive Officer and Managing Director of Adelaide Brighton and prior to that, held executive positions at Blue Circle Industries and CSR Limited.

Mark holds a Bachelor of Science (Ceramic Engineering) from the University of New South Wales, a Master of Engineering (Mechanical) from the University of Wollongong and a Graduate Diploma of Management from the University of New South Wales

5. Melinda Conrad

Independent Non-executive Director

Date of appointment: 1 March 2017

Board Committees: Human Resources Committee (Chairwoman), Audit Committee and Nomination Committee

Melinda Conrad brings to the Board over 25 years' experience in business strategy, marketing, and technology-led transformation, and brings skills and insights as an executive and director from a range of industries, including retail, financial services and healthcare.

Melinda is currently a director of ASX Limited, Stockland Group, and Penten Pty Ltd. She is a member of the Australian Institute of Company Directors Corporate Governance Committee and an Advisory Board member of Five V Capital.

Melinda has previously served as a director of OFX Group Limited, The Reject Shop Limited, David Jones Limited, APN News & Media Limited and as a member of the ASIC Director Advisory Panel.

Melinda held executive roles at Harvard Business School, Colgate-Palmolive, several retail businesses as founder and CEO, and in strategy and marketing advisory.

Melinda holds a BA (Hons) from Wellesley College in Boston, an MBA from Harvard Business School, and is a Fellow of the Australian Institute of Company Directors.

6. Elizabeth (Betsy) Donaghey

Independent Non-executive Director

Date of appointment: 1 September 2021

Board Committees: Human Resources Committee, Safety and Sustainability Committee and Nomination Committee

Elizabeth Donaghey brings over 30 years' experience in the energy and oil and gas sectors including technical, commercial and executive roles at EnergyAustralia, Woodside Energy and BHP Petroleum. She is currently a non-executive director of the Australian Energy Market Operator (AEMO) and Cooper Energy Limited.

Betsy's previous experience includes non-executive director roles at Index Ltd, an ASX-listed provider of drilling fluids and downhole instrumentation, St Barbara Ltd, a gold explorer and producer, and the Australian Renewable Energy Agency. She has performed extensive committee roles in these appointments, serving on audit and compliance, risk and audit, technical and regulatory, remuneration, and health and safety committees.

Betsy holds a Bachelor of Civil Engineering from Texas A&M University, a Master of Science in Operations Research from the University of Houston and has completed the Harvard Business School Advanced Management Program.

7. Michael Ihlein

Independent Non-executive Director

Date of appointment: 1 June 2020

Board Committees: Audit Committee (Chairman), Human Resources Committee and Nomination Committee

Mike Ihlein brings to the Board financial expertise and experience as an international executive from a range of industries, including previous roles as CEO and CFO of Brambles Limited and CFO of Coca-Cola Amatil Limited and a director of CSR Limited.

Mike is currently a director of Scentre Group Limited, Inghams Group Limited and the not-for-profit mentoring organisation Kilfinan Australia Ltd.

Mike holds a Bachelor of Business Studies (Accounting) from the University of Technology, Sydney. He is a fellow of the Australian Institute of Company Directors, CPA Australia and the Financial Services Institute of Australasia.

8. Gary Smith

Independent Non-executive Director

Date of appointment: 1 June 2020

Board Committees: Audit Committee, Safety and Sustainability Committee and Nomination Committee

Gary Smith brings to the Board substantial Australian and international oil industry experience with a career in oil and gas that spans 40 years, including 20 years with Shell and various executive roles within the industry, including General Manager Refining, Supply and Distribution of Ampol Limited (formerly Caltex Australia Limited). Gary is currently employed as a Senior Advisor with Poten & Partners, working with the LNG Commercial team.

Gary holds a Bachelor of Engineering (Mechanical Engineering) and Master of Science (Chemical Engineering and Chemical Technology) from the University of New South Wales.

9. Penny Winn

Independent Non-executive Director

Date of appointment: 1 November 2015

Board Committees: Safety and Sustainability Committee (Chairwoman), Audit Committee and Nomination Committee

Penny Winn brings to the Board Australian and international strategic, major transformation and business integration, technology, supply chain and retail marketing experience.

Penny is currently a director of CSR Limited, The Amphora Group PLC (Accolade Wines) and the ANU Foundation. She has previously served as Chair and director of Port Waratah Coal Services Limited, Coca-Cola Amatil Limited, Goodman Limited, and Goodman Funds Management Limited and a Woolworths business, Greengrocer.com, a Myer business, sass & bide, and Quantum Group.

Prior to her appointment to Ampol, Penny was Director, Group Retail Services, with Woolworths Limited. She has over 30 years' experience in retail with senior management roles in Australia and internationally.

Penny holds a Bachelor of Commerce from the Australian National University and a Master of Business Administration from the University of Technology, Sydney and is a graduate of the Australian Institute of Company Directors.

Financial Report – Directors Report

**1. Greg Barnes****Group Chief Financial Officer**

Greg Barnes was appointed Group Chief Financial Officer on 1 July 2021.

Greg has more than 25 years' experience in finance, including as Group Chief Financial Officer for Coca-Cola Amatil, Nine Entertainment Co and CSR Limited. He has also held senior finance roles in the industrial and manufacturing sectors in the Asia Pacific region.

Greg is a qualified Chartered Accountant and holds a Bachelor of Commerce from the University of Newcastle as well as a Master of Business Administration from the Macquarie Graduate School of Management. Greg is also a graduate of the Australian Institute of Company Directors.

2. Mike Bennetts**Executive General Manager, Z Energy**

Mike Bennetts has more than 30 years' experience in the global energy industry. In 1983, he joined BP in Aotearoa, New Zealand with early roles in sales, marketing, information technology and finance. From 1992 to 2008 he served in various senior leadership roles in NZ, South Africa, China, Singapore and the United Kingdom.

Mike is one of the founders and the convenor of the Climate Leaders Coalition, a group of 100-plus companies representing almost 60 per cent of Aotearoa's emissions. He has served as a director of various private and public companies and joint ventures in Singapore, China and South Africa.

Mike will step down from his role on 1 March 2023. He will be replaced by Lindis Jones.

3. Andrew Brewer**Executive General Manager, Fuel Supply Chain**

Andrew Brewer was appointed Executive General Manager, Fuel Supply Chain in November 2020. He is responsible for Ampol's Australian manufacturing and distribution assets, supply operations, planning and value chain optimisation functions and the company's information technology function.

Andrew is an experienced senior executive in the energy and resources sector, having held leadership roles for large-scale facilities and integrated supply chains in the minerals processing, resources and energy industries across Australia, New Zealand and Canada. This includes former roles at Ampol, where he was General Manager of the Kurnell refinery, and later Executive General Manager of Supply Chain Operations and Executive General Manager, Transformation.

Andrew returned to Ampol from Refining New Zealand where he held the position of Chief Operating Officer.

Andrew has a Bachelor of Engineering (Honours) and a Bachelor of Science from the University of Adelaide and a Diploma in Management from Deakin University.

4. Meaghan Davis**Executive General Manager, People and Culture**

Meaghan Davis was appointed Executive General Manager, People and Culture in November 2021.

Meaghan has more than 25 years' experience in people and culture roles and has held a number of senior executive roles at leading Australian companies. Prior to joining Ampol, Meaghan spent 17 years at Woolworths Limited before joining Lendlease, where she held senior roles including Head of People and Culture – Australia, and Program Director of Lendlease's global transformation program.

Meaghan holds a Masters of Management from the Macquarie Graduate School of Management and is a member of the Australian Institute of Company Directors and the Australian Human Resources Institute.

5. Brent Merrick

Executive General Manager, International and New Business

Brent Merrick was appointed Executive General Manager, International and New Business in September 2020. Brent is responsible for trading and shipping, international growth and other new business, including future energy.

Brent joined Ampol in 2000, with his career at the company spanning a range of roles, including his first job as a process engineer at the Lytton refinery in Queensland. Brent gained commercial and trading experience through roles in the Australian supply and trading teams before being seconded to Chevron Singapore. Brent held roles in the sales and marketing business prior to returning to Singapore as a trader.

More recently, Brent has been responsible for expanding Ampol's international operations by expanding Singapore and establishing an office in the United States, where the company's global trading and shipping business is located.

Brent holds a Bachelor of Engineering (Chemical) from the University of Queensland.

6. Alan Stuart-Grant

Executive General Manager, Growth and Development

Alan Stuart-Grant was appointed as Executive General Manager, Growth and Development in November 2017. He manages Ampol's strategy, corporate development, mergers and acquisitions and transformation activities.

Prior to joining Ampol, Alan held a senior position in the oil and gas department of Glencore plc, which followed more than a decade of experience in private equity and investment banking, in Sydney, London and Singapore.

Alan holds a Bachelor of Science (Business Administration) degree from the University of Bath and is also a member of the Australian Institute of Company Directors.

7. Faith Taylor

Executive General Manager, Group General Counsel, Regulation and Company Secretary

Faith Taylor was appointed Executive General Manager, Group General Counsel, Regulation and Company Secretary in December 2022.

Faith joined Ampol in January, 2022 following a 30-year tenure with Clayton Utz. 11 years of her time at Clayton Utz were spent as a partner of the organisation's energy team. Faith has also been a part of the Institute of Bone and Joint Research in either a Board or Company Secretary role for over a decade.

Faith holds a Bachelor of Arts and Bachelor of Legislative Law from the University of Sydney.

8. Kate Thomson

Executive General Manager, Retail Australia

Kate Thomson was appointed Executive General Manager, Retail Australia in April 2022.

Kate has more than 25 years' experience in retail operations, holding a number of senior roles at leading consumer brands. Prior to joining Ampol in 2019 as Head of Retail Excellence and then General Manager, Retail Operations, Kate spent three years with ANZ as both General Manager of mobile lending and General Manager of NSW regional branch network. Before joining ANZ, she spent 22 years at McDonald's Australia, holding a number of senior roles including Director of Business Development.

Kate holds a Postgraduate Certificate in Management Enterprise from the University of Newcastle and a Masters of Business Administration from Charles Sturt University.

Directors' Report continued

Operating and financial review

The purpose of the operating and financial review (OFR) is to provide shareholders with additional information regarding the Group's operations, financial position, business strategies and prospects. The review complements the Financial Report on pages 105 to 169.

The OFR may contain forward-looking statements. These statements are based solely on the information available at the time of this report, and there can be no certainty of the outcome in relation to the matters to which the statements relate.

Company overview

Ampol (previously Caltex) returned to its iconic Australian name following shareholder approval on 14 May 2020. The national roll-out of the Ampol brand across our retail network is now complete with approximately 1,800 sites now displaying the iconic Australian brand. Ampol is an independent Australian company and the leader in transport fuels in Australia and through its acquisition of Z Energy, in New Zealand.

We supply Australia's largest branded petrol and convenience network as well as refining, importing and marketing fuels and lubricants. We have a deep history spanning over 120 years and are listed on the Australian Securities Exchange (ASX) (primary listing) and New Zealand Exchange (NZX) through a foreign exempt listing.

Ampol supplies fuel to approximately 110,000 business and SME customers in diverse sectors across the Australian and New Zealand economies, including defence, mining, transport, marine, agriculture, aviation and other commercial and industrial sectors. Across our Australian and New Zealand retail networks, we serve approximately four million customers every week with fuel and convenience products.

Our ability to service our broad customer base is supported by our robust supply chain and strategic infrastructure positions. In Australia that includes 15 terminals, 6 major pipelines, 53 wet depots, 1,824 Ampol branded sites (including 645 company-controlled retail sites) and one refinery located in Lytton, Queensland. In New Zealand that includes 9 terminals and 526 sites (includes Z Energy and Caltex branded sites). This network is supported by over 9,300 people across Australia, New Zealand, Singapore and the United States of America (USA).

In recent years, we have leveraged our Australian business to extend our supply chain and operations into international markets. This includes our Trading and Shipping business that operates out of Singapore and Houston in the USA, and our international storage positions across the Asia Pacific region. We also have grown our presence in New Zealand through the acquisition of Z Energy. Ampol divested Gull New Zealand on 27 July 2022 as part of the approval to acquire Z Energy. Ampol also owns a 20% equity interest in Seaoil, a leading independent fuel company in the Philippines.

Directors' Report continued

Operating and financial review continued

Group strategy

Ampol's strategy is focused around three elements which are underpinned by our market-leading position in transport fuels, strategic assets, customer relationships and supply chain expertise.

Evolving our business to build the foundations for energy transition is one of the three key elements of Ampol's strategy. Ampol's privileged assets, supply chain expertise and deep customer relationships mean we are uniquely placed to be part of the decarbonisation solution by enabling an orderly energy transition and to capitalise on opportunities that can deliver sustainable returns for shareholders over the long-term.

For 2022 we streamlined our priorities to the three key items outlined in the diagram below. While delivering for our customers and achieving a record financial performance, we continued to deliver on our strategic priorities completing the rebrand and launching AmpCharge and Ampol Energy brands, expanding internationally through the Z Energy acquisition and continuing to progress disciplined test and learns for the energy transition in the focus areas of e-mobility, renewable fuels and hydrogen.

Strategic Pillar	Key Priority	Achievements to Date
Enhance the core business 	Complete network rebrand and evolve the Ampol brand into EV charging and decarbonisation products	Completed rebrand of the network (including EG network) to the iconic Australian brand Ampol to over 1,800 sites Launched AmpCharge brand for EV charging
Expand from rejuvenated fuels platform 	Successfully complete Z Energy transaction, divest Gull and deliver synergies in line with integration plan	Fully debt funded Z Energy acquisition completed on 10 May 2022 with synergies on track Gull divestment completed on 27 July 2022 Delivered non-fuel RCOP EBIT uplift¹ target two years ahead of schedule Completed 50 MetroGo pilot sites
Evolve energy offer for our customers 	Invest ~\$30 million in Future Energy early stage trials and ~\$5 million to roll out Ampol's own decarbonisation plans	Delivered first 5 sites (of more than 100 sites) that form part of the fast charger network co-funded by ARENA Secured co-funding for a further 19 hub sites through the NSW Drive Electric program Investing to decarbonise own operations² including renewal of distribution fleet and installation of solar to selected retail sites

¹RCOP EBIT uplift from the base of 2019

²Own operations refers to Scope 1 & 2 emissions only

Shop gross margin improved due to enhanced product mix, promotional pricing strategies, reduced waste and shrink and labour efficiencies. Ampol has now delivered the non-fuel EBIT uplift target from the 2019 baseline, two years ahead of schedule. Consistent with our commitment to the MetroGo concept the roll out has now reached 50 stores and we are continuing to work with Woolworths to refine the offer.

The Lytton Ultra Low Sulphur Fuels project is progressing with a Financial Investment Decision dependent on clarification of the Federal Government's decision on fuel standards, particularly regarding aromatics, as well as resolution of funding arrangements.

We are focused on getting the balance right between investment in the core business, investment for the future and shareholder returns. We have maintained our focus on cost and capital discipline, paying nearly \$400 million to shareholders during 2022 through fully franked dividends. Total capital investment was \$407 million including approximately \$15 million for the EV network rollout.

Directors' Report continued

Operating and financial review continued

Ampol results 31 December 2022

On a statutory basis, Ampol recorded an after-tax profit attributable to equity holders of the parent entity of \$795.9 million, including a significant item gain of \$123.1 million and a product and crude oil inventory loss (incl. externalities FX) of \$90.1 million after tax. This compares favourably to the 2021 full year restated after-tax profit attributable to equity holders of the parent entity of \$560.0 million, which included a significant items loss of \$24.4 million and a product and crude oil inventory gain (incl. externalities FX) of \$250.7 million after tax. Externalities foreign exchange (gain)/loss previously reported within RCOP has been reclassified to Inventory (gain)/loss (incl. externalities FX) in the 2021 period.

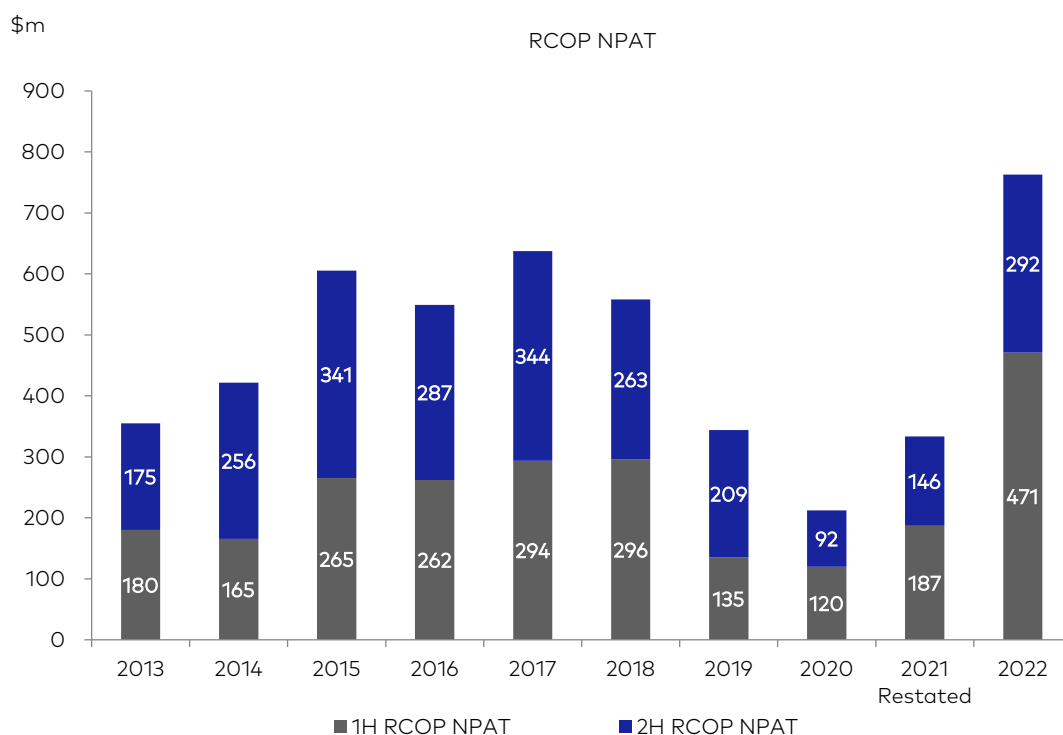
RCOP (on a pre- and post-tax basis) is a non-International Financial Reporting Standards (IFRS) measure and is unaudited. It is derived from the statutory profit adjusted for inventory (gain)/losses as this presents a consistent basis of reporting as that commonly used within the global downstream oil industry. RCOP excludes the unintended impact of the fall or rise in oil and product prices. It is calculated by restating the cost of sales using the replacement cost of goods sold rather than the historical cost, and adjusting for the effect of contract based revenue pricing lags.

A reconciliation of the RCOP result to the statutory result is set out in the following table and can also be found in note B3 to the Financial Statements:

	2022 \$m (after tax)	2021 \$m (after tax Restated) ^①
Reconciliation of the RCOP result to the statutory result		
Net profit attributable to equity holders of the parent entity	795.9	560.0
Significant items (gain)/loss (after tax)	(123.1)	24.4
Inventory (gain)/loss (incl. externalities FX) ^①	90.1	(250.7)
RCOP NPAT (before significant items)	762.9	333.7

^① A review of RCOP methodologies was undertaken on the acquisition of Z Energy and externalities foreign exchange (gain)/loss previously reported within RCOP has been reclassified to inventory (gain)/loss (incl. externalities FX) in the 2021 comparator period.

On an RCOP basis, Ampol recorded an RCOP NPAT (before significant items) of \$762.9 million (2021: \$333.7 million).



Dividend

The Board has declared a final ordinary dividend of 105 cents per share, fully franked. This represents a payout ratio of 86 per cent for the second half and takes full year ordinary dividends to 225 cents per share, representing a 70 per cent payout ratio of 2022 RCOP NPAT. Full year ordinary dividends are at the top of Ampol's stated Dividend Policy pay-out ratio of 50% to 70%. This compares with a total fully franked dividend of 93 cents per share for 2021. Additionally the Board has declared a special dividend of 50 cents per share, fully franked, as the Group continues to distribute proceeds from asset sales to shareholders. This takes total dividends declared to 275 cents per share, or \$655 million, for the year.

Directors' Report continued

Operating and financial review continued

Income statement

	2022 \$m	2021 Restated \$m ^(v)
For the year ended 31 December		
Continuing operations		
1. Total revenue	38,491.5	20,882.7
Other income	5.3	53.3
Share of net profit of entities accounted for using the equity method	14.5	11.3
2. Total expenses ⁽ⁱ⁾	(37,242.3)	(20,427.7)
RCOP EBIT, excluding significant items from continuing operations	1,269.0	519.6
Finance income	5.1	0.4
Finance expenses	(182.8)	(105.1)
3. Net finance costs	(177.7)	(104.7)
Income tax expense ⁽ⁱⁱ⁾	(308.0)	(79.6)
Non-controlling interest	(51.1)	(37.5)
RCOP net profit after tax from continuing operations	732.3	297.8
RCOP net profit after tax from discontinued operations	30.6	35.9
RCOP net profit after tax from continuing and discontinued operations	762.9	333.7
4. Inventory (loss)/gain after tax (incl. externalities FX) ^{(iii)(v)}	(90.1)	250.7
5. Significant item expense after tax ^(iv)	(38.8)	(24.4)
6. Significant item: Mark-to-market electricity derivative gain/(loss) after tax ^(iv)	51.7	-
7. Significant item: Singapore tax provision release ^(iv)	110.2	-
Statutory net profit after tax attributable to parent	795.9	560.0
Non-controlling interest	51.1	37.5
Statutory net profit after tax	847.0	597.5
Dividends declared or paid		
Interim ordinary dividend per share	120c	52c
Final ordinary dividend per share	105c	41c
Special dividend per share	50c	-
Earnings per share from continuing operations (cents)		
Statutory basis including significant items – basic ^(v)	305.3	217.9
Statutory basis including significant items – diluted ^(v)	303.8	217.3
Replacement cost basis excluding significant items – basic ^(v)	307.3	124.6
Replacement cost basis excluding significant items – diluted ^(v)	305.8	124.2

- (i) Excludes significant item loss before tax of \$104.0 million from continuing operations (2021: \$35.9 million loss) and inventory loss of \$122.6 million before tax from continuing operations (2021: \$355.4 million inventory gain which includes a \$44.7 million externalities FX gain reclassification).
- (ii) Excludes tax benefit on inventory loss of \$33.4 million from continuing operations (2021: \$106.7 million tax expense, inclusive of \$13.4 million restated tax from externalities FX gain reclassification) and tax benefit on significant items of \$116.7 million from continuing operations (2021: \$10.5 million).
- (iii) 2022 inventory loss for continuing operations after tax \$89.3 million (before tax \$122.6 million) and discontinued operations after tax \$0.8 million (before tax \$1.1 million). 2021: inventory gain for continuing operations after tax \$248.7 million (before tax \$355.4 million) and discontinued operations after tax \$2.0 million (before tax \$2.8 million).
- (iv) 2022 significant item gain for continuing operations after tax \$84.5 million (before tax loss \$32.2 million) and discontinued operations after tax \$38.6 million gain (before tax \$38.6 million - zero rate tax applicable). 2021 significant item loss for continuing operations after tax \$25.4 million (before tax loss \$35.9 million) and discontinued operations after tax \$1.0 million loss (before tax \$1.0 million - zero rate tax applicable).
- (v) The prior period has been restated to separately show those operations classified as discontinued in the current year as detailed in note F3 Discontinued operations of the Ampol Limited full year report and the reclassification of externalities realised foreign exchange gains and losses due to a revision in the RCOP methodology used by the Group.

Directors' Report continued

Operating and financial review continued

Income statement continued

Discussion and analysis – Income statement

1. Total revenue and other income from continuing operations ▲ 84%	Total revenue increased due to higher sales prices in 2022 driven by increased crude and product prices, with the equivalent Australian dollar sales prices being on average 54% higher than 2021. In addition, there was a 10% increase in total sales volumes (24.3 BL) compared to 2021 (22.0 BL). Other income in 2022 of \$5.3 million relates largely to gains on divestment of assets, compared to \$53.3 million in the prior comparable period mainly relating to the Lytton refinery Temporary Refinery Production Payment (TRPP) of \$40.0 million and COVID-19 government wage support of \$0.8 million received from Australia, New Zealand and Singapore government programs.
2. Total expenses from continuing operations ▲ 82%	Total expenses increased in line with revenue primarily due to higher replacement cost of goods sold, driven by increased crude and product prices, together with an uplift in volumes.
3. Net finance costs from continuing operations ▲ 70%	Finance costs increased due to additional debt facilities associated with the Z Energy acquisition and increases in market interest rates.
4. Significant items expense impacting EBIT \$65.4 million	Total significant item expense before tax of \$65.4 million (2021: \$34.9 million expense) relates to: Ampol rebranding expense An expense of \$49.9 million (2021: \$51.3 million) relating to the rebranding program undertaken to remove Caltex signage and install Ampol branding at Ampol sites. Current period costs include rebranding costs of \$48.0 million (2021: \$42.4 million) and accelerated depreciation \$1.9 million (2021 \$8.9 million). EG Rebrand Provision Release In June 2020 a \$46.0 million provision was recognised in relation to the rebrand of EG sites. The rebranding was completed during 2022 and the excess rebranding provision of \$19.0 million was released to the Income Statement (2021: \$nil). Net Impairment Reversal of non-current assets Net impact of \$11.0 million relating to reversal of Convenience Retail assets previously impaired \$21.8 million (2021: \$9.0 million), partly offset by \$10.8 million current period impairment relating to underperforming sites (2021: \$31.0 million impairment from information technology assets \$24.5 million and a \$15.5 million impairment of Convenience Retail sites which were partly offset by a \$9.0 million impairment reversal relating to Convenience Retail sites). Site Remediation A review of current remediation cost experience has led to an increase in Convenience Retail's asset restoration obligations. The provision has been increased by \$48.4 million, of which, \$26.3 million has been expensed and treated as a significant item as it relates to sites which are closed or fully impaired. The remaining \$22.1 million has increased the Group's restoration assets. (2021: \$41.9 million release of the Kurnell site remediation provision following the biennial third-party review). Transaction costs Transaction costs of \$29.1 million relating to the Z Energy acquisition (2021: \$6.8 million). Legal settlements and other Total of \$43.5 million part of which arises from settlement relating to a Deed of Release entered into in April 2022 with EG Group Limited, the nature of which is commercially sensitive, and costs relating to a multi-year project Commodity Trading Risk Management (CTRM) system which is not able to be capitalised as an intangible asset (2021: \$0.8 million relating to COVID-19 government wage support received from the Australian, New Zealand and Singapore government programs). Sale of Gull New Zealand Profit on sale after transaction costs of \$38.6 million relating to the gain on divestment of Gull New Zealand \$46.0 million net of transaction costs of \$8.0 million (2021: \$1.0 million transaction costs). Divestment gains Gain on sale of Convenience Retail sites \$14.8 million (2021: \$12.5 million gain on sale of 17.16% interest in Car Next Door Australia Pty Ltd).

Directors' Report continued

Operating and financial review continued

Income statement continued

Discussion and analysis – Income statement Continued

5. Significant Items impacting interest and tax \$188.5 million	Unrealised electricity hedge gain \$51.7 million after tax unrealised electricity mark to market derivative gain which does not qualify for hedge accounting treatment relating to Z Energy's investment in Flick Energy (2021: \$nil). Singapore tax provision release Release of tax provision, creating a tax benefit of \$110.2 million, as a consequence of an agreement reached with the ATO in relation to tax applicable on profits earned by the Group's Singapore operations (2021: \$nil). Tax effect of significant items impacting EBIT Significant items tax benefit of \$26.6 million on significant items included in EBIT (2021: \$10.5 million).
5. RCOP Inventory loss after tax (incl. externalities FX) \$90.1 million	There was an inventory loss of \$90.1 million after tax (\$123.7 million before tax) in 2022. Ampol holds crude and product inventory, the price of which varies due to fluctuations in the product price and foreign exchange movements. The price at which inventory was purchased often varies from the current market prices at the time of sale. This creates an inventory gain or loss at the time of sale. Following completion of the Z Energy transaction a review of RCOP methodologies was undertaken. To align the approach between the two organisations, the externalities foreign exchange (gain)/loss previously reported within Ampol RCOP has been reclassified to inventory (gain)/loss (incl. externalities FX). Under this new methodology an externalities foreign exchange loss of \$32.5 million after tax (\$46.5 million before tax) for 2022 has been included in the inventory loss and the 2021 comparatives have been restated to include a gain of \$31.3 million after tax (\$44.7 million before tax).

Directors' Report continued

Operating and financial review continued

Income Statement continued

Discussion and analysis – Income statement

RCOP EBIT breakdown^Q

Fuels and Infrastructure (F&I) EBIT

\$853.0m

Fuels and Infrastructure RCOP EBIT for the Continuing Operations grew to \$853.0 million up 179 per cent year on year. Lytton played an important role, delivering an RCOP EBIT of \$686.7 million compared to \$158.7 million in 2021. Strong operational performance and the ability to secure sufficient crude supply through our international sourcing team, meant Lytton captured the elevated refiner margins available in 2022. As a result, the full year average Lytton Refiner Margin was US\$17.86/bbl and total production volume for the year was 6,103 ML.

F&I (Ex Lytton and Future Energy) grew earnings by 28 per cent year on year to \$197.4 million, on a continuing basis, capturing the opportunities presented by the prevailing market conditions to the benefit of the Group as a whole. The increase in earnings within F&I reflects the value of Ampol's integrated operations and the management of risk across the supply chain. Trading and Shipping performed well, undertaking opportunistic sourcing, blending and effective price risk management, as the supply constrained market, particularly for diesel, provided higher margin opportunities. F&I Australia saw growth in aviation volumes as international travel resumed. Margins, however, were impacted by elevated input costs from middle distillate quality premiums and high product freight costs in the aviation business compared to legacy contract pricing. This was counterbalanced by earnings that are reported in the F&I International continuing operations, which more than doubled as it captured attractive opportunities to manage risk and generate earnings. Ampol continues to progressively renew customer contracts on revised terms to reduce exposure to high quality premiums and product freight. The Gull New Zealand divestment completed on 27 July 2022 and is shown as a Discontinued Operation in the Group's financial statements.

Ampol continued to invest in the energy transition consistent with plans communicated at the start of the year. The Future Energy team achieved several significant milestones including launching AmpCharge and the installation of the first five pilot sites of the ARENA co-funded network. Learnings across other focus areas including electricity, renewable fuels and hydrogen will contribute to Ampol's ability to transition with our customers over time.

Convenience Retail (CR) EBIT

\$347.2m

The Convenience Retail business saw consistently improved shop performance throughout the year and benefited from more favourable retail fuel trading conditions in the second half. As a result, it delivered the best result for five years with RCOP EBIT of \$347.2 million for the full year, an increase of 37 per cent compared to 2021. 2022 retail network fuel volumes were up 0.5 per cent (on a like for like basis) and average retail fuel margins improved in the second half.

Shop gross margin improved due to enhanced product mix, promotional pricing strategies and reduced waste and shrink. Ampol has now delivered the non-fuel RCOP EBIT uplift target from the 2019 baseline, two years ahead of schedule.

While Convenience Retail benefited from more favourable trading conditions in the second half, this performance demonstrates the value of focusing on network quality and investment returns. The network rationalisation is almost complete with the company controlled retail network reduced to 645 sites by year end. The network rebrand is complete, including the EG sites, with over 1,800 stores now featuring the iconic Ampol brand. The introduction of MetroGo sites has reached the target of 50 stores and work continues with Woolworths to refine this offering based on learnings from the initial rollout.

Z Energy EBIT

\$124.6m

Eight months of trading from Z Energy post acquisition contributed \$124.6 million RCOP EBIT to the Ampol Group result, after Purchase Price Accounting adjustments, and 2.76 billion litres of total fuel sales volume.

Since the closure of New Zealand's only refinery, Z Energy has made good progress in managing the transition to a full import model with minimal disruption to customers. The exit from the National Inventory Agreement saw Z Energy gain share in the New Zealand market as it benefited from its superior infrastructure position.

The management team continued to progress the synergies and performance improvements outlined at the time of acquisition. To date NZ\$22 million of synergies have been delivered in 2022 for an annualised run rate of NZ\$55 million.

Directors' Report continued

Operating and financial review continued

Income Statement continued

Discussion and analysis – Income statement	RCOP EBIT breakdown ⁽ⁱ⁾
Corporate EBIT Corporate operating expenses are \$15.7 million higher compared to 2021, largely due to an increase in short term incentives reflecting the full year performance, together with self-insurance costs relating to the 2022 flooding events in Queensland and New South Wales.	\$55.8m
RCOP EBIT excluding significant items from continuing operations	\$1,269.0m
RCOP EBIT from discontinued operations In March 2022, the Group entered into a binding agreement with Allegro Funds Pty Ltd (Allegro) for the sale of its Gull business in New Zealand. The sale transaction was completed on 27 July 2022 and for the purposes of the 2022 reporting period Gull New Zealand has been classified as a discontinued operation.	\$47.5m

- (i) RCOP is not a statutory measure. A reconciliation between statutory earnings and RCOP earnings can be found in note B3 of the financial statements.

Directors' Report continued

Operating and financial review continued

Balance sheet

As at 31 December	2022 \$m	2021 \$m	Change \$m
1. Working capital	2,002.9	1,141.3	▲861.6
2. Property, plant and equipment	4,617.7	3,564.7	▲1,053.0
3. Intangibles	1,599.2	506.3	▲1,092.9
4. Interest-bearing liabilities net of cash	(3,488.4)	(1,697.3)	▲1,791.1
5. Other assets and liabilities	(681.3)	(168.2)	▲513.1
Total equity	4,050.1	3,346.8	▲703.3

Discussion and analysis – balance sheet

1. Working capital ▲ \$861.6m	The working capital increase was driven an increase in trade receivables due to the impact of higher prices \$546.7 million.
2. Property, plant and equipment ▲ \$1,053.0m	The increase in property, plant and equipment including lease right of use assets is driven mainly by the acquisition of Z Energy \$1,147.4 million, capital expenditure of \$406.9 million and additional lease right of use assets of \$63.7 million partly offset by depreciation of \$411.1 million and disposals relating to the divestment of Gull New Zealand of \$169.0 million.
3. Intangibles ▲ \$1,092.9m	Intangibles increase is predominately due to the acquisition of Z Energy (includes goodwill, New Zealand Emissions Trading Units, Z Energy brand name and customer contract intangibles) \$1,612.7 million partly offset by disposal of Gull New Zealand \$244.3 million, net reduction of New Zealand Emissions Trading Units \$263.5 million and current period amortisation of \$38.3 million.
4. Interest-bearing liabilities net of cash ▲ \$1,791.1m	The increase in interest-bearing liabilities is primarily driven by acquisition of Z Energy \$1,785 million and Z Energy net debt \$432.1 million, and an increase in lease liabilities of \$155.9 million. This increase was partly offset by proceeds from the sale of Gull (net of transaction costs) \$458.4 million and sale of interests in Ampol Property Trust 2 \$55.1 million, and Z Limited Partnership \$119.5 million. In addition, during the period Ampol issued new subordinated notes \$150.0m. Ampol's gearing was 36.8%, an increase of 19.0% from 31 December 2021. On a lease-adjusted basis, gearing was 46.3%, an increase of 12.6% from 31 December 2021.
5. Other assets and liabilities ▲ \$513.1m	Other non-current assets and liabilities increased primarily due to the acquisition of Z Energy.

Directors' Report continued

Operating and financial review continued

Cash flows⁽ⁱ⁾

For year ended 31 December	2022 \$m	2021 \$m	Change \$m
1. Net operating cash (outflows)/inflows	909.2	634.6	▲ 274.6
2. Net investing cash (outflows)/inflows ⁽ⁱⁱ⁾	(1,632.0)	(319.2)	▲ 1,312.8
3. Net financing cash (outflows)/inflows	289.0	(120.9)	▲ 409.9
Net decrease in cash held ⁽ⁱⁱⁱ⁾	(440.3)	198.7	▼ 639.0

(i) The Consolidated Cash Flow Statement includes cash flows from both continuing and discontinued operations.

(ii) Does not include the purchases of New Zealand Emissions Trading Units during the period, which is included in payments to suppliers, employees and government in operating cashflows.

(iii) Including effect of foreign exchange rates on cash and cash equivalents.

Discussion and analysis – Cash flows

1. Net operating cash inflows ▲ \$274.6m	Net operating cash inflows increased due to higher sales prices driven largely by higher weighted average Dated Brent crude oil prices and a 10% increase in total sales volumes. This increase in receipts from customers (\$19,030.8 million) was partially offset by an increase in payments to suppliers (\$18,453.1 million) and increased tax related payments of \$206.1 million due to the acquisition of Z Energy and higher earnings in the current period.
2. Net investing cash outflows ▲ \$1,312.8m	Increase in investing cash flows largely represent the acquisition of Z Energy \$1,785.1 million, transaction costs of \$29.1 million and net payments relating to property, plant & equipment and intangibles of \$65.8 million which is partly offset by cash acquired at Z acquisition of \$111.1 million and net proceeds (including transaction costs) from the sale of Gull New Zealand \$458.4 million.
3. Net financing cash inflows ▲ \$409.9m	Financing cash inflows are mainly driven by facilities drawn to fund the Z Energy acquisition, with no off market buy back in the current period compared to the prior comparable period of \$300.4 million and proceeds from the sale of the non-controlling interest in Ampol Property Trust 2 \$55.1 million and Z Energy Limited Partnership \$119.5 million. This is partly offset by an increased dividend payment of (\$204.9 million) based on higher earnings.

Capital expenditure

Capital expenditure totalled \$406.9 million, including \$60.6 million for Z Energy and \$5.3 million treated as discontinued operations relating to Gull New Zealand. Within the total F&I capital expenditure of \$168.2 million was \$93.3 million for Lytton, \$59.3 million F&I excluding Lytton and \$15.6 million relating to Future Energy. In Convenience Retail capital expenditure was \$126.7 million in addition to rebranding capital spend of \$38.8 million. Corporate capital expenditure of \$7.3 million mainly related to information technology assets.

Directors' Report continued

Operating and financial review continued

Z Energy Acquisition

On 10 May 2022, Ampol Holdings NZ Limited, a wholly owned subsidiary of Ampol Limited, acquired 100% of the issued capital of Z Energy Limited (Z Energy).

At the acquisition date Ampol is required to fair value the assets and liabilities acquired as part of the transaction. The acquisition balance sheet has been updated in the current reporting period with a valuation of the intangible assets and property, plant and equipment acquired being undertaken. In addition, the preliminary positions established for 30 June 2022 reporting have been retested with no material changes arising from this review.

Whilst work on the opening balance sheet is now considered complete the Group still has the ability to re-open this position during the period up to 10 May 2023 should any material information come to light regarding matters which existed at 10 May 2022.

	10 May 22 \$NZm	Purchase Price Adjustments \$NZm	Restated 10 May 22 \$NZm
Z Energy net assets opening balance reconciliation			
Cash and cash equivalents	122.2	-	122.2
Trade and other receivables	459.4	(3.6)	455.8
Derivative financial instruments	96.4	19.8	116.2
Inventories ⁽ⁱ⁾	703.2	153.5	856.7
Property, plant and equipment ⁽ⁱⁱ⁾	1,287.6	(25.1)	1,262.5
Intangibles (inc. New Zealand Emission Trading Units) ^{(iii) (iv)}	859.1	389.8	1,248.9
Intangibles – Goodwill ^(v)	157.8	367.6	525.4
Other assets ^(vi)	109.8	(61.8)	48.0
Total Assets	3,795.5	840.2	4,635.7
Payables ^(vii)	452.6	28.1	480.7
Derivative financial instruments	37.0	-	37.0
Interest-bearing liabilities	595.3	2.3	597.6
Lease liabilities	297.9	(4.0)	293.9
Other liabilities ⁽ⁱⁱⁱ⁾	999.8	262.7	1,262.5
Total Liabilities	2,382.6	289.1	2,671.7
Net Assets	1,412.9	551.1	1,964.0

Key adjustments include:

- (i) **Inventories** – Product inventories and New Zealand Emission Trading Units reserve contained within inventory have been restated at their fair value.
- (ii) **Property, plant and equipment** – Formal valuation of assets has been undertaken as part of the acquisition purchase price allocation. An uplift in property, plant & equipment was recognised which has been more than offset by a reduction in fair value of the Z Energy Biodiesel plant, which is to be closed, and an alignment of fair values to the sale price for properties divested into the Z Limited Partnership.
- (iii) **New Zealand Emission Trading Units (ETUs)** – Revaluation of both the intangible asset relating to the ETUs held by Z Energy and the obligation to acquire units. Both the asset and liability have been restated at their fair value at 10 May 2022.
- (iv) **Intangible Assets (non ETUs)** – A formal valuation has been undertaken to identify and determine the fair value of customer contracts and Z Energy's brand value acquired.
- (v) **Intangible Assets Goodwill** – reflects the difference between the fair value of all separately identifiable assets and liabilities acquired and the consideration paid.
- (vi) **Other assets** – Reflects the impact of the purchase price allocation adjustments on the deferred tax balances.
- (vii) **Payables** – several provisions have been included in the acquisition balance sheet reflecting costs for which a present obligation existed at the acquisition date.

Directors' Report continued

Operating and financial review continued

Z Energy Acquisition (continued)

Z Energy income statement	2022
Fuel Margin \$NZm	502.3
Non-fuel income \$NZm	60.4
Operating expenses \$NZm	(279.6)
Equity Income \$NZm	1.9
RCOP Earnings before interest, tax, depreciation & amortisation (EBITDA) \$NZm	285.0
Depreciation & amortisation \$NZm	(81.5)
Other \$NZm ⁽ⁱ⁾	15.1
RCOP underlying earnings before interest & tax (EBIT) \$NZm	218.6
Purchase Price Accounting Adjustments \$NZm ⁽ⁱ⁾	(78.6)
Z Energy Consolidated RCOP EBIT \$NZm	140.0
Z Energy Consolidated RCOP EBIT \$Am	124.6

- (i) Purchase Price Accounting Adjustments predominately relating to an increase in the Emissions Trading Units component of cost of goods sold. The Emissions Trading Units were fair valued in the acquisition balance sheet.
- (ii) Other predominately relates to non-recurring gain on sale of excess New Zealand Emissions Trading Units.

Directors' Report continued

Operating and financial review continued

Business outlook and prospects for future financial years

Ampol has had a strong start to the year and is well positioned to manage the ongoing volatility in global markets. January 2023 refined product markets were strong, with Lytton realising an US\$18.40/bbl refiner margin as gasoline cracks recovered from the lows in 4Q 2022. Australian fuel volumes were up 19 per cent, albeit versus the COVID impacted prior period. Convenience Retail saw improved January trading from both fuel and shop with fuel volumes up 5.6 per cent and shop sales up 0.6 per cent, on a like for like basis, compared to the COVID impacted January 2022. Z Energy's retail fuel and shop sales in January 2023 were temporarily impacted by significant flooding experienced in Auckland that reduced mobility. Notwithstanding this fuel sales were up 28% compared to the prior period which included a COVID lockdown.

Geopolitical factors including Russian sanctions and China product export decisions are likely to continue to influence crude and refined product markets during 2023 and in the medium term, the fundamentals of supply and demand continue to support a tight market for refined product.

F&I (Ex Lytton and Future Energy) is expected to benefit from the COVID recovery, particularly in jet. Quality premiums and product freight remain above traditional levels, with the exposure to these elevated costs reducing as customer contracts renew.

The benefits of the Convenience Retail strategy and network rationalisation are evident in the improved performance to date with the potential for the return of net migration to Australia to be supportive of demand.

Z Energy will contribute a full year of earnings to the Group in 2023, with Ampol's Trading and Shipping operations in Singapore to commence full supply to Z Energy from April 2023 when existing third-party supply agreements expire, enabling supply related synergies to be realised.

For the year ahead, Ampol is focused on finalising its investment decision in the Ultra Low Sulphur Fuels Project at Lytton, progressing highway site upgrades in the Australian retail network and delivering synergies and improved supply chains into New Zealand. At the same time, Ampol will continue to pursue organic growth in its international business, leveraging existing capabilities into adjacent markets, customers and products.

Longer term, Ampol's operations are well positioned to capture opportunities in the liquid fuels value chain. Our balance sheet is well placed to support continued returns to shareholders and appropriate investment in both the core business and the energy transition. The learnings from our Future Energy trials reinforce that Ampol has an important role to play in the energy transition requiring a measured approach to meet the needs of our customers as they evolve.

Directors' Report continued

Risk management

There are a number of material risks that have the potential to impact Ampol achieving its financial goals and business strategy. The Ampol Risk Management Framework (ARMF) has been developed to proactively and systematically identify, assess, treat and monitor risks that could have an impact on business objectives. The ARMF integrates the consideration of risk into the Company's activities so that:

- risks in relation to the effective delivery of the Company's business strategy are identified,
- control measures are evaluated, and
- where potential improvements in controls are identified, improvement plans are scheduled and implemented.

The Board reviews the ARMF with management on an annual basis to ensure that it remains sound.

Risks identified through the ARMF are also assessed on a regular basis by management, and material risks are regularly reported to the Board and its committees. These reports include performance against the Board-approved risk appetite and the status and effectiveness of control measures for each material risk. The Board, the Audit Committee, the Safety and Sustainability Committee and the Human Resources Committee each receive reports on material risks relevant to their responsibilities, as follows:

- Board: customer and competitors, business transformation, business interruption and regulatory and compliance.
- Audit Committee: information security, cyber and technology, capital management and allocation, liquidity, financial markets, fraud and ethical misconduct.
- Safety and Sustainability Committee: climate change, process safety, personal safety, health and wellbeing, environment, product quality (fuels and lubricants) and product quality (food).
- Human Resources Committee: organisational capability.

Following is a table outlining our material risks, along with a description of each risk and an outline of the mitigation strategies that are in place. In this table, we have not included information that could result in unreasonable prejudice to Ampol, including information that is confidential, commercially sensitive or that could give a third party a commercial advantage.

Ampol's approach to risk management is also outlined in our Corporate Governance Statement, which is available on our website.

Material risk	Description	Monitor and manage
 Strategic and commercial risks		
1. Customer and competitors	The transport fuels and convenience retail landscapes are continually evolving. Ampol needs to be able to transform along with this landscape to seize opportunities and ensure the ongoing viability and success of the business. Changes in customer demand, technology and products have the potential to materially impact Ampol's earnings. Ampol must respond and adapt to these changes by optimising current earnings streams and creating new earnings streams in both domestic and international markets in order to support the growth of Ampol and deliver value to customers, the community and shareholders.	Ampol's strategic decision-making framework ensures that strategies are in place to manage competitive risks that sustain and improve value accretion. These strategies include: • enhancing the core business through relentless focus on cost efficiency, capital effectiveness and customer delivery; • delivering earnings growth in International and Retail businesses, and • building foundations for the energy transition, leveraging the strength of our assets, customer relationships and capabilities.
2. Business transformation		
3. Climate change	Risks associated with the transition to a low carbon economy have the potential to impact Ampol's socio-political and regulatory environment, earnings and growth opportunities, and brand and reputation. Ampol must balance the needs of the current economy, our customers and shareholders, while demonstrating active integration of climate-associated risk into strategic and financial planning processes to inform its investment decisions. In parallel, Ampol actively assesses and models the physical impact of climate change on the business and manages the energy intensity of our operations to limit carbon emissions.	The Board oversees Ampol's approach to climate change with the Board's Safety and Sustainability Committee assisting with governance and monitoring as reflected in the Committee's Charter. Ampol focuses on building resilience to the transition and physical risks posed by climate change, including undertaking scenario analysis, helping our customers respond to climate change and meet their decarbonisation goals and addressing our operational emissions. We also undertake external engagement and advocacy to progress collective action and policies that support an orderly and just energy transition.

Directors' Report continued

Risk management continued

	Ampol supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).	Further information on Ampol's implementation and alignment with TCFD will be released during 2023.
4. Information security, cyber and technology	Ampol faces ever-evolving cyber security threats and must be able to prevent, detect, respond to and recover from these threats by investing in technology, information security and cyber governance, capability and controls.	Ampol's information technology (IT), operational technology (OT) and systems are subject to regular review, maintenance and testing, and disaster recovery plans are in place. Ampol actively monitors for and responds to potential security threats.
5. Organisational capability	Successful execution of Ampol's strategy and business objectives is driven by the capability and talent of our people. A lack of organisational capability can negatively impact Ampol's ability to maximise returns.	Ampol aims to be an employer of choice. It has in place and actively manages retention and attraction of critical capabilities, employee agreements, and monitoring of employee engagement and external labour markets.
 Operational risks		
6. Process safety	The manufacturing and transportation of transport fuels and the operation of Ampol's retail network gives rise to an inherent risk to the health and safety of our employees, contractors, customers, the public and the environment in which we operate. Ampol invests the necessary capital and resources to reduce these risks so far as is reasonably practicable.	To manage these risks, Ampol has in place: • an integrated management system for managing safety, health and environment; and • a comprehensive risk management framework which ensures risks are proactively identified and managed from the corporate level to the local site level and involves active engagement from senior management and the Board. Ampol also transfers certain major risk exposures through its comprehensive corporate insurance program, which provides cover for damage to facilities and associated business interruption as well as product liability.
7. Personal safety, health and wellbeing		
8. Environmental		
9. Product quality – fuels and lubricants	An inability to produce and supply high-quality, fit-for-purpose fuel and lubricant products that meet our customers' needs, conform to specifications and satisfy our contractual and regulatory requirements, has the potential to put our customers at risk. In turn, this may damage Ampol's reputation and impact earnings. Similarly, in the Retail environment, Ampol aims to produce and supply high quality, fit-for-purpose food products that meet customer needs, conform to specifications, and satisfy our contractual and regulatory requirements.	Ampol has designed and implemented robust quality control and assurance measures throughout the supply chain to ensure our fuel and food products are both safe and of the standard our customers expect, thus protecting our brand and reputation.
10. Product quality – food		
11. Business interruption	Significant business interruption leading to commercial loss may result from a wide range of risk sources, including: • extended industrial disputes • supply chain disruption • loss of externally supplied utilities • pandemic • cyber and other security breaches, and • natural disasters, such as bushfires and floods.	Ampol manages these risks through the framework and governance structures described in this report, including those focused on security and resilience. It also mitigates certain major risk exposures through its comprehensive corporate insurance program, which provides cover for damage to facilities and associated business interruption as well as product liability.

Directors' Report continued

Risk management continued



Financial risks

12. Capital management and allocation	An inability to successfully manage and allocate capital erodes Ampol's profitability, cash flows, growth aspirations, investor confidence, licence to operate and relationships with key stakeholders.	Ampol governs capital allocation in accordance with a well-defined capital allocation framework that is underpinned by operational and capital efficiency and ensures a strong return on capital employed (ROCE) across all parts of the portfolio. Ampol's Investment Committee (IC), which is comprised of senior leaders, supports this framework. The IC is supported by the necessary governance and processes to successfully prioritise and execute capital investment and manage capital allocation.
13. Liquidity	Inadequate access to liquidity may limit Ampol's ability to raise funds to meet the forecast requirements of the business, for planned expenditure or to seize emerging opportunities. A weak balance sheet also limits Ampol's ability to withstand material levels of liquidity-related stress from other material risk events and/or a major economic downturn.	Ampol seeks to prudently manage liquidity risk by maintaining a capital structure that is consistent with its capital allocation framework, supports its activities and centrally monitors cash flow forecasts, including the degree of access to debt and equity markets. A key element of its funding strategy is the use of committed undrawn debt facilities, with an extended facility maturity profile.
14. Financial markets	Commodity price and other associated markets driven by supply and demand for Ampol's products may vary outside of expectations from time to time. Foreign exchange rate variations can offset or exacerbate this risk.	Ampol balances its exposure to financial market risk in accordance with the Board-approved Group Treasury Policy. The policy sets a range of quantitative and volumetric limits to reduce the inherent risk to levels within the desired risk appetite threshold. Ampol regularly monitors financial market exposures and reports this as part of its updates to senior management and the Board.



Social, compliance and conduct risks

15. Regulatory and compliance	Ampol is exposed to a wide range of regulatory environments since its operations are located across several jurisdictions.	Ampol applies strict operating standards, policies, procedures and training to ensure that it remains in compliance with its various permits, licences, approvals and authorities.
16. Fraud and ethical misconduct	Ampol's brand, reputation and licence to operate can be negatively impacted through actual or perceived breaches of law or behaviours that are inconsistent with the Ampol's values or breach its Code of Conduct.	In addition, Ampol proactively manages regulatory risk through an enhanced compliance framework which accounts for current regulations, contact with relevant bodies or agencies and working in partnership with various stakeholders to reduce the likelihood of significant incidents that could impact Ampol or the communities in which it operates. Ampol engages with regulatory bodies and industry associations to keep abreast of changes to laws. It has a stakeholder engagement plan that is actively managed to mitigate the impact of major policy changes.

Directors' Report continued

Events subsequent to the end of the year

Dividend

On 20 February 2023, the Board of Directors declared a fully franked ordinary final dividend of 105 cents per share taking the total ordinary dividend with respect to the 2022 financial year to 225 cents per share, representing a payout ratio of 70% of the 2022 RCOP NPAT (excluding significant items). Additionally the Board has declared a special dividend of 50 cents per share, fully franked, as the Group continues to distribute proceeds from asset sales to shareholders. This takes total dividends declared to 275 cents per share.

Taxation of Singapore entities

On 17 February 2023, the Australian Tax Office finalised its position in relation to the extent to which earnings by the Group's Singaporean entities from transactions with the Group's Australian entities are taxable. The transaction resulted in a provision release of \$110.2 million.

Environmental regulations

Ampol is committed to complying with the relevant laws, regulations and standards of the jurisdictions in which we operate, as well as minimising the impact of our operations on the environment. The Board's Safety and Sustainability Committee addresses the appropriateness of Ampol's occupational health, safety and environmental practices to manage material health, safety and environmental risks, so that these risks are managed in the best interests of Ampol and its stakeholders.

Ampol sets key performance indicators to measure environmental, health and safety performance and drive improvements against targets. In addition to review by the Board, progress against these performance measures is monitored regularly by the Managing Director and CEO and executive general managers.

Risks are examined and communicated through the Ampol Risk Management Framework, which includes environmental risks. Under the framework, risks and controls are assessed and improvements are identified, with regular reports being made to management and the Board.

The Ampol Operational Excellence Management System (OEMS) is designed to ensure that, as far as reasonably practicable, operations are carried out in an environmentally sound, safe, secure, reliable and efficient manner. OEMS operating standards and procedures support the Ampol Environment Policy and the Ampol Health and Safety Policy.

Ampol meets reporting requirements under the National Greenhouse and Energy Reporting Scheme, reporting energy consumption and production as well as greenhouse gas emissions from Group operations. Ampol also continues to disclose information on emissions under the National Pollutant Inventory. Ampol continues to remain a signatory to the Australian Packaging Covenant.

Compliance with environmental regulations

For the year ended 31 December 2022, regulators were notified of a total of six environmental reportable non-compliances. For the period, the group received 14 formal notices from environmental agencies; 12 of these notices related to legacy contamination. Remediation action has been taken in relation to the incidents and notices. The Company received no fines during the period. All incidents were investigated, and lessons captured and shared as appropriate across the Group.

In April 2022, during a 1-in-100-year rain event, the wastewater treatment facility at the Kurnell Terminal (NSW) became inundated with stormwater leading to a release of hydrocarbon impacted stormwater from site. This release impacted the local community and waterways. Following the incident, Ampol has remediated the impacted areas of the Kurnell township and has cleaned up the waterways. Ampol has and continues to work closely with NSW EPA and the Kurnell community in addressing any related concerns. Ampol continues to monitor the areas that had been impacted by the incident and is awaiting the outcome of the NSW EPA's investigation into this incident.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 96 and forms part of the Directors' Report for the financial year ended 31 December 2022.

Remuneration Report Contents

Message from the Chair of the Human Resources Committee

1.	Key Management Personnel
2.	Ampol's remuneration philosophy and framework
3.	Performance and remuneration outcomes
4.	Remuneration governance
5.	Senior Executive remuneration in detail
6.	Outlook for 2023
7.	Senior Executive remuneration tables
8.	Non-executive Director remuneration
9.	Appendix: Consideration of the government fuel security package

The Directors of Ampol Limited present the Remuneration Report prepared in accordance with section 300A of the *Corporations Act 2001* (Cth) (Corporations Act) for the Ampol Group for the year ended 31 December 2022.

The Remuneration Report provides information about the executive remuneration framework and remuneration outcomes for Key Management Personnel (KMP) – being those persons with authority and responsibility for planning, directing and controlling the activities of Ampol.

KMP comprises:

- Non-executive Directors (NED); and
- the Managing Director and Chief Executive Officer (MD & CEO) and select direct reports to the MD & CEO – collectively, Senior Executives.

All values are represented in Australian dollars. Where necessary, values have been converted to Australian dollars using the monthly average foreign exchange rates from 1 January 2022 to 31 December 2022, sourced from Westpac Banking Corporation.

The information provided in this Remuneration Report has been audited as required by section 308(3C) of the Corporations Act, apart from where it is indicated that the information is unaudited.

Directors' Report continued

Message from the Chair of the Human Resources Committee

On behalf of the Board, I am pleased to present Ampol's Remuneration Report for the year ended 31 December 2022.

Despite uncertainty and volatility in energy markets, the lingering effects of COVID-19, and extreme weather events, Ampol has delivered record fuel volumes, profit, and shareholder returns as well as making significant progress against our strategic priorities.

The Board is proud of what the Ampol team has achieved. I would like to acknowledge the tenacity and commitment of our people who continue to role model our purpose and values in the delivery of our strategy. It is the strength of Ampol's people and culture which continues to positively differentiate Ampol as we grow and transform.

Record financial performance

- Delivered our highest RCOP NPAT on record. This RCOP NPAT of \$763 million represents a stretch outcome and \$429 million above 2021. In 2022, Ampol did not receive any financial support under the Australian Fuel Security Package.
- Increased total dividend from 93 cents per share (cps) to 275 cps (including special dividend of 50 cps, final interim ordinary dividend of 105 cps and the 120 cps interim dividend from 1H 2022).

Delivered against strategic priorities safely and reliably

We enhanced our core business through the completion of our Ampol rebrand as well as progressing our future fuels strategy.

- Completed the rebrand of the Australian network by transitioning over 1,800 sites to the iconic Ampol brand.
- Progressed redevelopment of four highway service centres at Pheasants Nest and Eastern Creek with each site's capacity up to 10 times the volume of an average Ampol retail site.
- Substantial progress in developing the projects to produce ultra low sulphur fuel including the Queensland Government gazetting the project which will help fast-track approvals.

We expanded the scale and reach of our business.

- The acquisition of Z Energy was successfully completed and fully debt funded, with good progress being achieved against anticipated synergies.
- The Gull divestment was completed with proceeds applied to debt reduction and general corporate purposes.
- 50 Woolworths MetroGo sites are now completed.
- Retail non-fuel EBIT uplift of \$89m versus target of \$85m achieved two years ahead of schedule.

We remain committed to being an organisation that reduces its operational carbon footprint as well as delivering new energy solutions to meet customers' needs as they evolve.

- The introduction of climate measures in 2022 as 10% of our annual Ampol Scorecard provides an appropriate balance between setting tangible targets and building capability to explore a range of decarbonisation initiatives.
- Solid progress has been made towards 2025 Scope 1 and 2 emissions targets, including:

- Delivery of initiatives identified in the Fuels and Infrastructure Energy Management Plan. This includes refinery process unit and utility optimisation, and terminals energy efficiency opportunities.
- Delivery of the Convenience Retail Energy Management Plan. This includes a pathway for LED lighting replacement and solar deployment aligned with EV charging stations deployment.
- Reducing emissions from Western Australian retail sites through an energy supply agreement offset with a 100% renewable energy agreement.
- Laying foundations for scope 3 emissions intensity reductions in the medium term:
 - Launched our Electric Vehicle (EV) charging offer AmpCharge and delivered the first 12 charging bays across 5 sites that form part of the fast charger network co-funded by ARENA.
 - Secured co-funding for a further 19 EV charging hub sites through the NSW Government's Drive Electric program.
 - Working with Government, Industry Associations (e.g., Bioenergy Australia), and industry partners to complete a study into renewable fuels opportunities.

Creating value for stakeholders

Ampol is committed to developing its people and leaders.

All three changes to the Ampol Leadership Team (ALT) in 2022 were satisfied through internal appointments, setting the ALT up with strong momentum into 2023:

- Kate Thomson was promoted to the role of Executive General Manager, Retail Australia.
- Faith Taylor was promoted to Executive General Manager, Group General Counsel, Regulation and Company Secretary.
- Lindis Jones will be appointed to the role Executive General Manager Z Energy, from 1 March 2023.

On 1 September 2022 we also welcomed to the Board Simon Allen who brings extensive experience across New Zealand and Australia.

With these leadership changes, female representation on the ALT has increased from 25% to 33%, which is closer to our aspiration of 40%. The Ampol Board continues with female representation above our current target of 30%.

We have maintained high levels of staff engagement as well as increased support to our communities.

- Maintained strong cultural health result of 70%.
- Continued to prioritise diversity and inclusion:
 - Gender pay equity in like for like roles has improved to 1.3% (in favour of males);
 - Launched our second Innovate Reconciliation Action Plan (RAP), including cultural awareness training to 200 of our most senior leaders; the introduction of an Enterprise Indigenous procurement strategy and improved employment outcomes with 3.15% of our Australian based workforce identifying as Aboriginal or Torres Strait Islander;
 - Recognition as a "Bronze Employer" in the Australian Workplace Equality Index (AWEI).

Directors' Report continued

Message from the Chair of the Human Resources Committee continued

- Through the Ampol Foundation, our community involvement has gathered further momentum in 2022:
 - Total community contributions increased 29% to over \$4.1million, while employee volunteering hours doubled;
 - Contributions through Fuelling Change, our workplace giving program, tripled to over \$290,000 and employee participation in the program also tripled.
 - Received the Gold Award for best program relaunch at the Workplace Giving Australia, 2022 Workplace Giving Awards.

Through two primary safety measures, we continue to hold ourselves accountable to high safety standards.

- Personal safety performance is measured through a total recordable injury frequency rate (TRIFR),
 - Convenience Retail improved performance compared with 2021 with another record-breaking TRIFR performance meeting a stretch outcome;
 - TRIFR performance in Fuels and Infrastructure declined compared with 2021, with TRIFR moving closer to the industry average, and below threshold expectations.
- Process safety performance is focused on the prevention of fires, explosions, chemical accidents and/or spills when dealing with hazardous materials in our Fuels and infrastructure business. Our measurement approach is informed by the American Petroleum Institute's Recommended Practice 754.
 - Our spills performance was below threshold expectations in 2022. This performance includes the Category 3 environmental event at Kurnell Terminal in NSW (further information on this event is in the Sustainability Report).
 - For the fourth year in a row there were no Tier 1 process safety incidents and there was one Tier 2 process safety incident in 2022.

2022 Remuneration Outcomes

The Board takes a holistic approach when evaluating the performance of Ampol's Senior Executives. After robust consideration of all the relevant quantitative and qualitative factors, we consider the following outcomes to be appropriate.

Short-Term Incentive

- An STI outcome for the Managing Director and CEO equal to 87% of the maximum STI opportunity. Despite our record profit performance, this outcome is a similar quantum to the outcome in 2021 due to the below threshold personal and process safety performance in Fuels & Infrastructure.
- STI awards to other Senior Executives range from 85% to 92% of maximum STI opportunity.
- The Board's assessment of 2022 performance included a review of Significant Items. There were no adjustments made to Significant Items as it relates to performance and remuneration. More detail on the Significant Items from 2022 can be found in Section B3.3 of the financial statements.

Long-Term Incentive

- The 2019 long-term incentive (LTI) award vested in April 2022 at 13.3%, as per disclosure in our 2021 remuneration report.

- 25.2% of the 2020 LTI will vest in April 2023, representing the combined performance outcome of return on capital employed (ROCE) and relative total shareholder return (rTSR) over the three year period ending December 2022.
 - ROCE performance was above the Weighted Average Cost of Capital (WACC), contributing 25.2% to the total LTI vesting outcome.
 - rTSR performance was below threshold performance finishing at the 30th percentile of the S&P ASX100, contributing 0% to the total LTI vesting outcome.
- Section 3 of this report contains further detail.

Fixed Remuneration

- As disclosed in our 2021 remuneration report, there were two changes to fixed remuneration for Senior Executives in 2022, and no changes to the MD & CEO fixed remuneration or to Non-executive Director (NED) fees or the aggregate fee pool in 2022.

Z Energy Remuneration

In year one of the Z Energy acquisition, there are several legacy remuneration arrangements relating to Mr Mike Bennetts as Executive General Manager, Z Energy:

- Prior to the acquisition of Z Energy, retention arrangements were put in place for Mr Bennetts as the Chief Executive Officer of Z Energy.
- As part of the acquisition of Z Energy, Mr Bennetts continued as a participant in the Z Energy STI scheme which has a different target opportunity and pay-out scale when compared to Ampol.
- Mr Bennett's exit from the organisation effective 31 March 2023, triggered contractual exit arrangements.

Remuneration disclosures relating to Mr Bennetts will appear in both the 2022 and 2023 remuneration reports and are described in full detail in Section 5 of this report.

Looking Beyond 2022

Our executive remuneration structure for 2023 is unchanged.

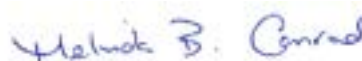
The inclusion of climate measures has been a successful addition to the Ampol Scorecard for 2022 and we will continue with this measure in 2023.

We will continue to review our executive remuneration structure and market developments to ensure we remain competitive with peers.

Following an internal and external benchmarking exercise and to keep pace with current market dynamics, each of the Senior Executives will receive a 3% increase (includes Mr Halliday, Mr Merrick, Mr Brewer and Mr Barnes). Ms Thomson will receive a 5% increase. All increases are effective 1 April 2023.

There will be no change to NED fees and the overall NED fee pool will remain unchanged for 2023.

On behalf of the Board, we thank you for your ongoing support. We encourage you to read the report in full and welcome your feedback.



Melinda Conrad

Chair, Human Resources Committee

Directors' Report continued

Remuneration Report

1. Key Management Personnel

Unless otherwise indicated, the KMP were classified as KMP for the entire financial year.

Current KMP		
Non-executive KMP	Steven Gregg	Chairman and Independent, Non-executive Director
	Simon Allen ⁽ⁱ⁾	Independent, Non-executive Director
	Mark Chellev	Independent, Non-executive Director
	Melinda Conrad	Independent, Non-executive Director
	Elizabeth Donaghey	Independent, Non-executive Director
	Michael Ihlein	Independent, Non-executive Director
	Gary Smith	Independent, Non-executive Director
	Penny Winn	Independent, Non-executive Director
Executive KMP	Matthew Halliday	Managing Director and Chief Executive Officer (MD & CEO)
	Greg Barnes	Group Chief Financial Officer
	Michael Bennetts ⁽ⁱⁱ⁾	Executive General Manager, Z Energy
	Andrew Brewer	Executive General Manager, Fuel Supply Chain
	Brent Merrick	Executive General Manager, International and New Business
	Kate Thomson ⁽ⁱⁱⁱ⁾	Executive General Manager, Retail Australia
Former KMP		
	Joanne Taylor ^(iv)	Executive General Manager, Consumer and B2B

- (i) Mr Allen was appointed to the Board as an Independent, Non-executive Director effective 1 September 2022.
- (ii) Ampol's acquisition of Z Energy was completed 10 May 2022, at which point Mr Bennetts became KMP. Mr Bennetts will cease to be a KMP from 1 March 2023 and cease employment on 31 March 2023. Mr Lindis Jones will move from the role Chief Financial Officer Z Energy to the role of Executive General Manager, Z Energy, effective 1 March 2023.
- (iii) Ms Thomson was appointed Executive General Manager, Retail Australia effective 1 April 2022.
- (iv) Ms Taylor resigned from Ampol on 14 February 2022.

Directors' Report continued

Remuneration Report continued

2. Ampol's remuneration philosophy and framework

Our remuneration philosophy and framework are designed to support Ampol's purpose and strategy.

Purpose

Powering better journeys, today and tomorrow

Strategy

Sustainably deliver value and growth for our owners, people and customers

Strategic focus areas



Enhance
the core business



Expand
from rejuvenated
fuels platform



Evolve
energy offer for
our customers

Remuneration Principles



Alignment with
shareholders'
interests



Performance
focused and
differentiated



Market
competitive



Fair and
equitable

	Purpose	Performance	Delivery
Fixed Remuneration	To attract and retain the best capability to deliver the Ampol strategy.	Independent benchmarking to ensure competitive positioning against two Board-approved ASX listed peer groups. The primary peer group is focused on where we compete for capital and talent and the secondary peer group is focussed on companies with a similar-sized market capitalisation, only.	Base salary, uncapped statutory superannuation and other benefits.
Short-term Incentive	Reward the achievement of annual targets aligned with sustainably delivering value and growth.	A combination of financial (RCOP NPAT) and non-financial measures (safety, climate, people & culture and brand) as well as execution of business strategic priorities.	A mix of cash and deferred restricted shares. STI outcomes and associated payouts as a proportion of target STI will range on a sliding scale from: below threshold (0%); threshold (60%); target (100%); and stretch (150%).
Long-term Incentive	Align Senior Executive remuneration with long-term shareholder experience.	An equal combination of relative Total Shareholder Return compared against the ASX 100 and Return on Capital to incentivise strong and sustained shareholder returns.	Performance rights for nil consideration as a right to receive a fully paid ordinary share following a three year performance period. Trading is restricted for an additional one year past any vesting. There is also a minimum shareholding requirement for Senior Executives over a five year period.

Minimum requirement to demonstrate Ampol's stated values and appropriate conduct.

Board oversight considering the holistic quality of delivery including risk management, capital management and performance, contributions, and outcomes through the lens of our Shareholders, Customers, Employees and Communities.

Directors' Report continued

Remuneration Report continued

3. Performance and remuneration outcomes



The Board's holistic process for determining STI outcomes considers a range of quantitative and qualitative inputs and outcomes. As a first step, an assessment is made against annual scorecard objectives split between the Ampol (Company) scorecard (65%), and strategic priorities (35%).

Table 1: 2022 annual scorecard performance assessment for Senior Executives

Performance measure	Commentary	Assessment
Ampol Scorecard (65%)⁽ⁱ⁾ Threshold = 60% Target = 100% Stretch = 150%		
Profit (40%)⁽ⁱⁱ⁾		
Delivering annual RCOP NPAT to plan carries the greatest weight in the Ampol Scorecard. This ensures STI outcomes are heavily influenced by the annual profit result and aligned to shareholder experience.	Our key financial measure of RCOP NPAT finished at \$763 million, which is \$429 million above 2021, a record profit result for Ampol, representing stretch performance. The Board reviewed all Significant Items for 2022. There were no adjustments made to Significant Items as it relates to performance and remuneration. More detail on the Significant Items from 2022 can be found in Section B3.3 of the financial statements.	Stretch (150%)
Safety (10%)⁽ⁱⁱⁱ⁾		
Delivering safe, reliable, high-quality products and services to our customers is a critical measure of success.	Convenience Retail (CR) improved personal safety compared with 2021 with another record breaking TRIFR of 3.5, meeting a stretch outcome.	CR – personal safety. Stretch (150%)
There are three safety measures which include TRIFR specific to both the Fuels and Infrastructure and Convenience Retail businesses, as well as process safety (e.g. recordable spills) specific to Fuels & Infrastructure, only.	Performance for Fuels and Infrastructure (F&I) was below threshold in both personal and process safety, resulting in a 6.7% reduction to STI target opportunity for the MD&CEO and a 10% reduction to STI target opportunity for the Executive General Manager, Fuel Supply Chain.	F&I – personal safety. Below threshold (0%)
Performance gateways apply to each safety measure.	- Personal safety performance worsened when compared to 2021, with TRIFR of 4.2 being below threshold expectations. - There were 10 recordable spills against our process safety target of 4 spills or less which includes the environmental event at Kurnell (further details contained in the Sustainability section of the Annual Report), resulting in a below threshold outcome.	F&I – process safety. Below threshold (0%)

Directors' Report continued

Remuneration Report continued

3. Performance and remuneration outcomes continued

Table 1: 2022 annual scorecard performance assessment for Senior Executives continued

Performance measure	Commentary	Assessment
Ampol Scorecard (65%) ^(iv) continued		
Threshold = 60% Target = 100% Stretch = 150%		
Climate (10%)^(iv)		
Annual climate performance determined by assessing progress against: 2025 Scope 1 & 2 emissions targets for Convenience Retail and Fuels and Infrastructure and abatement projects including renewable energy, process and energy efficiency improvements; and - Scope 3 emissions intensity reduction, including targeted e-mobility, hydrogen and biofuels (renewable fuels) initiatives.	- Launched our Electric Vehicle (EV) charging brand AmpCharge and delivered the first 12 charging bays across 5 sites. 100% of the energy used at these EV charging stations is offset with renewable energy certificates. - Delivery of the Convenience Retail Energy Management Plan including a pathway for LED lighting replacement and solar deployment aligned with EV charging deployment. - Delivery of initiatives identified in the Fuels and Infrastructure Energy Management Plan including refinery process unit and utility optimisation and terminals energy efficiency opportunities. - Reducing emissions from Western Australian retail sites through an energy supply agreement offset with a 100% renewable energy agreement.	Between target and stretch (115%) 
Brand (5%)		
Successfully launch and embed the iconic Australian brand, Ampol. Establishing a clear approach to measure brand awareness and preference – tracked through a brand health monitor, managed by an external third party. Site conversion across the entire Australian network.	- Successful delivery of a broad multi-media campaign reaching over 70% of Australians. This is the start of our evolving brand story, introducing a mixed forecourt and home EV charging solutions for the first time. 81% of those that have seen the advertising agree that Ampol is evolving its energy offer to meet the needs of the future. - Brand preference and brand awareness both performed between target and stretch expectations, increasing 3 and 11 percentage points, respectively compared to 2021. - Completed the rebrand of the Australian network transitioning over 1,800 sites to the iconic Ampol brand, representing our entire Australian network.	Between target and stretch (125%) 

Directors' Report continued

Remuneration Report continued

3. Performance and remuneration outcomes continued

Strategic priorities (35%)

Enhance the core business – Complete network rebrand, evolve the Ampol brand into EV charging and decarbonisation products

- Record fuel sales volumes of 24.3 billion litres, including 7.6% growth in Australian fuel sales to more than 14 billion litres as sales to commercial customers grew. Between target and stretch (140%)
- Progressing redevelopment of four highway service centres at Pheasants Nest and Eastern Creek, anticipated to deliver total fuel volumes of ~150ML. Total redevelopment is expected to deliver >15% ROCE upon completion. 
- Launched the e-mobility brand AmpCharge and Ampol Energy brand.

Expand from a rejuvenated fuels platform – Successfully complete the Z Energy transaction, divestment of Gull and deliver synergies In line with Integration plan

- Further international expansion through the completion of Z Energy purchase fully debt funded with anticipated synergies from integration on track to be realised in line with planned timeline. Between target and stretch (143%)
- Divestment of Gull completed with effective stakeholder engagement – proceeds applied to debt reduction and general corporate purposes. 
- The exit from the National Inventory Agreement has seen Z Energy be able to benefit from its superior infrastructure position, gaining share in the New Zealand market.
- Convenience Retail has delivered non-fuel income uplift of \$89m versus the target of \$85 million, two years ahead of schedule by improvements in gross margin percentage, waste management, labour controls and operational cost initiatives.
- Consistent with our commitment to the Woolworths MetroGo concept, the roll out has now reached 50 stores.

Evolve the energy offer for our customers – Invest ~\$30 million in Future Energy early-stage trials and approximately \$5 million to roll out Ampol's own decarbonisation plans as part of our broader commitment to spend \$100 million by 2025.

- Substantial progress in the projects to produce ultra-low sulphur fuel including the Queensland Government gazetting the project to fast-track approvals. This will ultimately produce ultra-low sulphur fuel, allowing for lower emissions from vehicles and wider optionality as we transition to alternative transport fuel sources. Between target and stretch (125%)
- Secured co-funding for a further 19 EV charging hub sites through the NSW Government's Drive Electric program. 
- Australian Energy Regulator approved our application to become a retailer of electricity and natural gas in some Australian States.
- To support the transition to zero-emissions vehicles, strategic partnerships with Hyundai and BYD have been secured to explore low carbon solutions, and Eneos to explore renewable diesel production at Lytton.

- A profit gate opener of 80% RCOP NPAT to target applies to the Ampol Scorecard.
- The RCOP NPAT methodology calculates the cost of goods sold on the basis of theoretical new purchases instead of actual costs from inventory. The cost of these theoretical new purchases is calculated as the average monthly cost of cargoes received during the month of those sales. Similarly, where there are sales revenues on a different basis to current month pricing, the revenue is recalculated on current pricing with the resulting pricing lag a component of reported inventory gains and losses.
- TRIFR gateways of: Fatality = 0 and Category 2 injuries <=2. Fuels and Infrastructure recordable spills (> 1bbl marine spills) gateway of; Tier 1 process safety events <=1 and Tier 2 process safety events <=2
- The Board also considers the year-on-year change for absolute emissions in Convenience Retail; and emissions Intensity in both the Manufacturing and Distribution businesses. All three measures have trended favourably from 2021 to 2022 (refer to the Sustainability section of the Annual Report).

Directors' Report continued

Remuneration Report continued

3. Performance and remuneration outcomes continued

Overall assessment for short-term incentive

While annual scorecard outcomes are the key driver of STI, the Board takes a holistic approach in assessing a range of quantitative and qualitative inputs and outcomes in carefully considering the performance of Ampol and its Senior Executives.

The approach taken includes oversight and judgement across a range of factors not included in the annual scorecard, including:

- management within the Board-approved risk appetite,
- performance and reward appropriateness through the lens of our shareholders, customers, employees and communities,
- ability to attract and retain best fit capability to drive sustainable value, and
- adherence to Ampol's values, and our Code of Conduct.

Taking all the relevant factors into account, the Board-approved Senior Executive annual STI outcomes at 88% of maximum opportunity, on average. Table 2 sets out the Senior Executive STI outcomes as a result of the 2022 performance assessment.

A portion of STI outcomes will be deferred in restricted shares for two years. For the MD & CEO this represents 40% and for the other Senior Executives it represents 25%. Table 5 sets out further information on 2022 total remuneration outcomes for Senior Executives.

Table 2: 2022 Senior Executive short-term incentive outcomes

	2022 STI as % of base salary			2022 outcome as % of target opportunity	2022 outcome as % of maximum opportunity
	Target opportunity	Maximum opportunity	Actual outcome		
Current Senior Executives					
Matthew Halliday	70%	105%	92%	131%	87%
Greg Barnes	60%	90%	79%	131%	87%
Michael Bennetts ⁽ⁱ⁾	50%	150%	100%	200%	67%
Andrew Brewer	60%	90%	76%	127%	85%
Brent Merrick	60%	90%	80%	133%	89%
Kate Thomson	60%	90%	83%	139%	93%
Former Senior Executives					
Joanne Taylor ⁽ⁱⁱ⁾	—	—	—	—	—

(i) As part of the acquisition of Z Energy by Ampol, Mr Bennetts maintained his participation in the Z Energy Executive STI framework. When compared to Ampol, the Z Energy STI scheme has a different target opportunity and pay-out scale. The Z Energy STI scheme uses a construct of a balanced scorecard representing Company performance as well as an individual performance assessment which combines with a maximum potential opportunity of 300% of target. The table above represents the full-year forecast performance and STI. The Board will approve the final STI outcome once the Z Energy performance period ending 31 March 2023 is complete. Refer to Section 5 for further details. With Mr Bennetts being in a different STI scheme to other KMP, and by the nature of the STI outcome being a forecast position, this figure is excluded from any percentages representing average KMP outcomes.

(ii) Ms Taylor resigned from Ampol on 14 February 2022.

Directors' Report continued

Remuneration Report continued

3. Performance and remuneration outcomes continued

Overall assessment for long-term incentive outcomes

Vesting of Performance Rights under the 2020 LTI award are subject to a ROCE measure, and an rTSR measure over the three-year period 1 January 2020 to 31 December 2022.

ROCE performance

Ampol's ROCE over the period was 13.5%, which is 2.8 percentage points above the average annual realised WACC, placing performance between threshold and target expectations, and resulting in a 50.4% vesting outcome for ROCE.

rTSR performance

Total Shareholder Return over the three-year period is -9.35% and relative TSR (rTSR) among the S&P ASX 100 lands at the 30th percentile, resulting in a 0% vesting outcome for rTSR.

Table 3 summarises the 2020 LTI performance outcomes with 25.2% of the total LTI opportunity vesting, subject to further restrictions⁽ⁱ⁾.

Table 3: 2022 Long-term incentive outcomes

Performance condition	Threshold	Target	Stretch	Actual performance	Percentage vesting	Weighting	Vesting outcome ⁽ⁱ⁾
rTSR (FY20 - FY22)							
rTSR against S&P ASX 100	50th percentile	75th percentile	90th percentile	30th percentile	0%	50%	0%
ROCE (FY20 - FY22)							
ROCE against average WACC and three-year business plan.	WACC + 1%	3-year business plan	Target + 1%				
	10.7%	16.0%	17.0%	13.5%	50.4%	50%	25.2%
Vesting							25.2%

- (i) Where the Senior Executive does not meet their minimum shareholding requirement at the vesting date, 25% of the vested portion of the 2020 LTI award will be converted to restricted shares with a further 4 year dealing restriction (i.e., until April 2027). The restricted shares will be converted to ordinary shares at the earlier of the 4 year restriction period or upon cessation of employment.

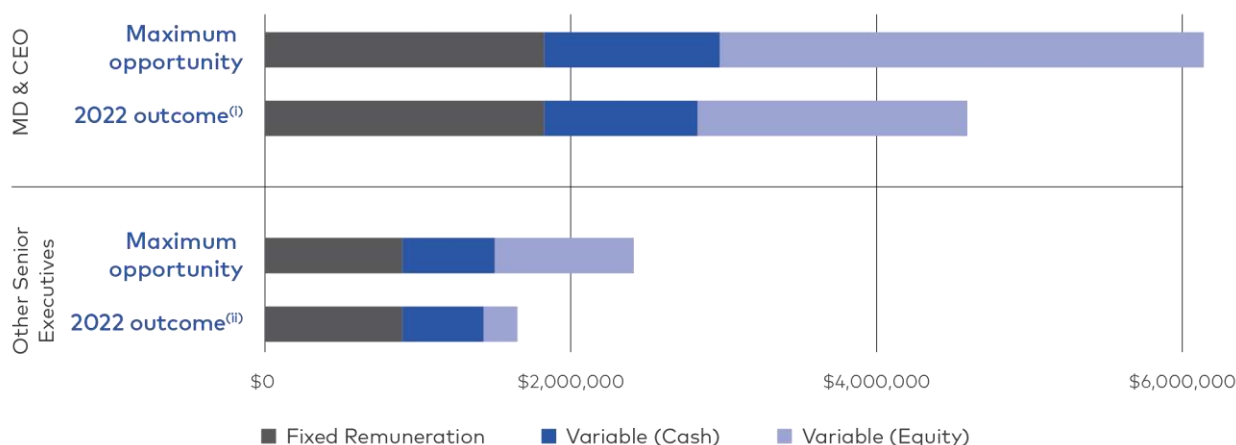
Directors' Report continued

Remuneration Report continued

3. Performance and remuneration outcomes continued

Chart 1 illustrates 2022 total remuneration outcomes compared to the maximum opportunity under the Senior Executive remuneration framework. This reflects the average of the variable remuneration outcomes presented in table 5.

Chart 1: 2022 total remuneration outcomes



- (i) For the MD & CEO the Variable (Equity) component includes restricted shares granted to Mr. Halliday as part of a sign-on arrangement upon commencement in 2019, and which vested over four years. The final tranche of this award, representing 34.8%, vested in 2022.
- (ii) The 2022 outcome represents an average STI outcome of 88% of maximum opportunity for the 2022 performance year and 2019 LTI which vested during the 2022 performance year.

Linking pay and performance over five years

Table 4 outlines Ampol's TSR, dividend, share price, earnings per share, RCOP NPAT results and safety performance each year from 2018 to 2022 together with a comparison to actual STI and LTI outcomes.

Remuneration outcomes have maintained strong alignment to Company performance and shareholder experience.

Table 4: Link between Company performance and Senior Executive remuneration (unaudited)

Summary of performance	2022	2021	2020	2019	2018
12-month TSR % ⁽ⁱ⁾	2.3	7.0	(14.1)	36.9	(21.7)
Dividends paid (cents per share)	161	75	76	93	118
Share price ⁽ⁱⁱ⁾	\$28.28	\$29.66	\$28.42	\$33.95	\$25.48
RCOP NPAT excl. Significant Items earnings per share	\$3.20	\$1.40	\$0.84	\$1.36	\$2.06
RCOP NPAT excl. Significant Items (million) ⁽ⁱⁱⁱ⁾	\$763	\$334	\$212	\$344	\$538
Ampol safety – TRIFR ^(iv)	3.5	3.4	7.4	11.5	8.3
Ampol safety – DAFWIFR ^(v)	1.6	1.8	3.1	5.7	2.0
Link to remuneration					
RCOP NPAT relative to annual target	177%	153%	43%	65%	89%
Average Senior Executive STI outcome (to target)	132%	132%	0%	0%	88%
LTI vesting outcome at end of performance period					
Year of grant	2020	2019	2018	2017	2016
Vesting percentage	25.2%	13.3%	6.7%	6.7%	21.2%

- (i) TSR is a measure of the return to shareholders in respect of each financial year. It is calculated as the change in share price for the year, plus dividends announced for the year, divided by the opening share price.
- (ii) The price quoted is the trading price for the last day of trading (31 December) in each calendar year.
- (iii) Measured excluding the impact of inventory gains and losses (RCOP) and Significant Items as determined by the Board. A review of RCOP methodologies was undertaken on the acquisition of Z Energy and externalities foreign exchange (gain)/loss previously reported within RCOP has been reclassified to Inventory (gain)/loss (incl. externalities FX) in the 2021 comparator period.
- (iv) Total Recordable Injury Frequency Rate (TRIFR) end of year, inclusive of Z Energy for 2022.
- (v) Days Away from Work Injury Frequency Rate (DAFWIFR). The total number of occupational injuries resulting in 'Days Away from Work' as certified by a physician per 1,000,000 hours worked for a nominated reporting period, inclusive of Z Energy for 2022.

Directors' Report continued

Remuneration Report continued

3. 2022 Senior Executive remuneration outcomes continued

2022 Total remuneration earned by Senior Executives

The following table sets out the actual remuneration earned by Senior Executives in 2022. The value of remuneration includes the long-term equity grants where the Senior Executive received control of the shares in 2022.

The purpose of this table is to provide a summary of the remuneration outcomes received in either cash or equity in 2022. The values in this table will not reconcile with those provided in the statutory disclosures in table 8. For example, table 8 discloses the value of LTI grants (which may or may not vest in future years) is amortised over the vesting period and may be negative when adjustments for actual vesting outcomes are applied. The following table discloses the value of the 2019 LTI grant which vested in 2022 as well as the full value of the deferred portion of 2022 STI to be granted in April 2023 which is not reflected in table 8 on the same basis.

Table 5: Total remuneration earned by Senior Executives in 2022 (unaudited, non-statutory disclosure)

	Fixed Remuneration ⁽ⁱ⁾	STI (cash) ⁽ⁱⁱ⁾	STI (restricted shares) ⁽ⁱⁱⁱ⁾	Retention Award ^(iv)	LTI vested during the year ^(v)	Post- employment entitlements ^(vi)	Remuneration 'earned' for 2022
Current Senior Executives							
Matthew Halliday (Managing Director and Chief Executive Officer)							
2022	2,059,288	1,003,152	605,220	–	1,161,166		4,828,826
Greg Barnes (Group Chief Financial Officer)							
2022	1,181,753	618,828	186,675	–	–		1,987,256
Michael Bennetts (Executive General Manager, Z Energy) ^(vii)							
2022	1,082,354	786,152		842,306		505,383	3,216,195
Andrew Brewer (Executive General Manager, Fuel Supply Chain)							
2022	964,138	505,206	152,400	–	–		1,621,744
Brent Merrick (Executive General Manager, International and New Business)							
2022	949,204	512,540	154,613	–	239,595		1,855,952
Kate Thomson (Executive General Manager, Retail Australia) ^(viii)							
2022	654,386	494,192	149,078	–	–		1,297,656
Former Senior Executives							
Joanne Taylor (Executive General Manager, Consumer and B2B) ^(ix)							
2022	392,450	–	–	–	126,861		519,311
Total remuneration:							
2022	7,283,573	3,920,070	1,247,985	842,306	1,527,621	505,383	15,326,938

- (i) Salary and fees comprise base salary, employer superannuation or KiwiSaver contributions made, annual leave and long service leave entitlements, and any fringe benefits tax payable on non-monetary benefits.
- (ii) The cash portion of short-term incentive (STI) for the 2022 performance year payable in April 2023, including employer superannuation or KiwiSaver contributions. For Mr Bennetts this represents the outcome based on the full year forecast performance of Z Energy as at 31 December 2022. The Board will approve the final STI outcome for Mr Bennetts at the conclusion of the Z Energy performance period ending 31 March 2023. The value for Mr Bennetts represents the amount of STI accrued in 2022.
- (iii) The grant value of the deferred portion of 2022 STI issued as restricted shares for two years to be granted in April 2023. 40% of the STI outcome is deferred for the MD & CEO and 25% of the STI outcome is deferred for the other Senior Executives.
- (iv) Mr Bennetts received a one-off retention award that was granted by the Z Energy Board prior to the acquisition of Z Energy by Ampol.
- (v) This refers to cash and equity based LTI plans from prior years that have vested in the current 2022 year. The value is calculated using the closing share price of Company shares on the vesting date. The 2022 LTI figures reflect 13.33% of the 2019 LTI Award vested, as disclosed in the 2021 remuneration report. For Mr Halliday, this also includes the value of the restricted shares which were granted in 2019 as part of a sign-on arrangement, the final portion of which vested to him during 2022 (refer to table 10 for more detail). For Mr Merrick this amount includes the vesting value of the final tranche of a one-off award of share rights granted in 2019.
- (vi) The value shown represents 57% of the total of Mr Bennetts' post-employment entitlements accrued in 2022. The remaining 43% will be reported in Ampol's 2023 remuneration report.
- (vii) Ampol's acquisition of Z Energy completed on 10 May 2022, at which point Mr Bennetts became KMP. Mr Bennetts will cease to be a KMP from 1 March 2023 and cease employment on 31 March 2023. Linds Jones will move from the role Chief Financial Officer Z Energy to the role of Executive General Manager, Z Energy effective 1 March 2023.
- (viii) Ms Thomson was appointed Executive General Manager, Retail Australia effective 1 April 2022.
- (ix) Ms Taylor resigned from Ampol on 14 February 2022.

Directors' Report continued

Remuneration Report continued

4. Remuneration governance

Board and Human Resources Committee

The Board takes an active role in the governance and oversight of Ampol's remuneration policies and practices. Approval of certain key human resources and remuneration matters are reserved for the Board, including setting remuneration for KMP and any discretion applied in relation to the targets or funding pool for Ampol's incentive plans.

The Human Resources Committee assists the Board to fulfil its corporate governance responsibilities in relation to Ampol's remuneration framework, incentive plans, succession planning, cultural health and engagement as well as diversity, equity and inclusion.

The Human Resources Committee seeks to put in place appropriate remuneration arrangements and practices that are clear and understandable, attract and retain talent and capability, and support superior performance and long-term growth in shareholder value.

Throughout the performance year the Human Resources Committee supports the Board by regularly monitoring performance against the Board-approved Ampol Scorecard and strategic priorities for Senior Executives.

While annual scorecard outcomes are the primary driver of STI, the Board takes a holistic approach in assessing a range of quantitative and qualitative inputs and outcomes in carefully considering the performance of Ampol and its Senior Executives. The approach taken includes oversight and judgement across:

- management within the Board-approved risk appetite;
- performance and reward appropriateness through the lens of our shareholders, customers, employees and communities;
- ability to attract and retain best fit capability to drive sustainable value; and
- adherence to Ampol's values, and our Code of Conduct.

The Board uses this assessment in considering the potential for a discretionary overlay either upward or downward at the Ampol or individual level or both.

Further information about the role of the Board and the Human Resources Committee is set out in their charters, which are available on the Company's website (www.ampol.com.au).

External advice

The Human Resources Committee is independent of management and is authorised to obtain external professional advice as necessary. The use of external specialists to provide advice and recommendations specifically in relation to the remuneration of KMP is either initiated directly, or approved by, the Human Resources Committee, and these specialists are directly engaged by the Human Resources Committee Chair. During 2022, Ampol received no 'remuneration recommendations' (as defined in the Corporations Act).

Malus and Clawback

Ampol has malus and clawback provisions over Senior Executive remuneration that allows the Company to reduce (including to zero) and/or recoup incentives that may have been awarded and/or vested to Senior Executives in certain circumstances. Triggers to enact these provisions include where the Senior Executive acts fraudulently or dishonestly; is in breach of their obligations; has brought a Group company into disrepute; delivers business performance which is unsustainable or involves unacceptably high risk; where there has been a material failure of risk management by the Company; misstatement or omission in the financial statements in relation to a Group company in any of the previous three financial years; or any other circumstances the Board determines in good faith to have resulted in an unfair benefit to the Senior Executive.

The Board may at any time exercise discretion if, acting in good faith, it determines that any trigger for malus and clawback exists or has occurred. These actions include: deem any vesting equity award granted to the Senior Executive to be forfeited; reissue any number of performance rights or restricted shares to the Senior Executive subject to new vesting conditions in place of any forfeited; require reimbursement of cash already paid to the Senior Executive following vesting; adjust the Senior Executive's future incentive remuneration; or initiate legal action (or both) against the Senior Executive.

Hedging and margin lending policies

The Ampol Securities Trading Policy prohibits KMP from entering into any arrangements that would have the effect of limiting their exposure relating to Ampol securities, including vested Ampol securities or unvested entitlements to Ampol securities under the Ampol Equity Incentive Plan (AEIP). KMP are prohibited from entering into any margin lending arrangements and other secured financing arrangements in respect of Ampol securities.

KMP are required to undertake training to ensure that they are aware of and understand their obligations and responsibilities under the Ampol Securities Trading Policy, which is available on our website. A contravention is a serious matter and may lead to disciplinary action, including termination of employment.

Directors' Report continued

Remuneration Report continued

5. Senior Executive remuneration in detail

Remuneration structure

Ampol's Senior Executive remuneration framework delivers total remuneration outcomes over a four year period.

Our framework supports the achievement of strategic priorities; is an effective mechanism to attract and retain executive talent; and provides strong alignment with the interests of shareholders.

Fixed remuneration consists of market competitive base salary and retirement benefits.

Variable remuneration represents performance based "at-risk" remuneration which is delivered through:

- an annual STI program which delivers outcomes as a combination of cash and restricted shares; and
- a three year LTI program which issues performance rights (subject to performance conditions and continued employment) as well as trading restrictions out to the end of a four year period underpinned by our minimum shareholding requirement.

Chart 2: Senior Executive remuneration structure

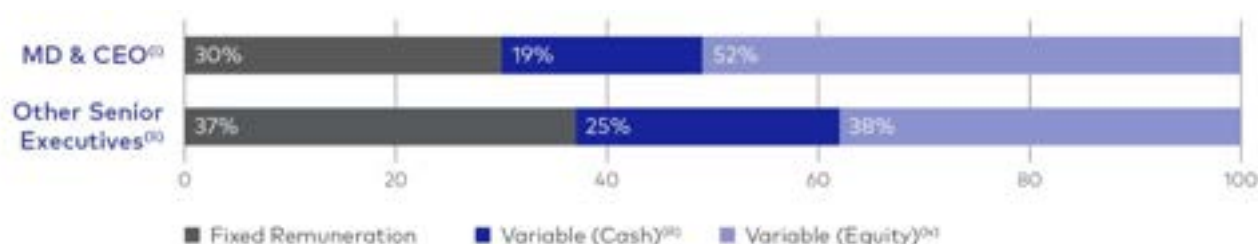


Remuneration mix

The mix of remuneration for Senior Executives is weighted toward variable remuneration with equity-based variable remuneration representing the largest component of total remuneration at stretch performance.

The mix of maximum total remuneration, representing stretch performance under Ampol's executive remuneration framework, is outlined in chart 3 below for 2022.

Chart 3: Senior Executive remuneration mix



- The remuneration mix for the MD & CEO reflects a base salary of \$1,650,000 and superannuation contribution of 10.5%. The MD & CEO's base salary remains unchanged since his appointment effective 29 June 2020. The annual STI reflects 105% of base salary, and the LTI award represents 150% of base salary.
- The remuneration mix for other Senior Executives reflects average base salary and annual STI and LTI awards both reflect 90% of base salary. This excludes the legacy Z Energy arrangements for Mike Bennetts, further detail is contained below in Section 5.
- Variable (Cash) remuneration includes the superannuation payable on the cash portion of the annual STI (60% for MD & CEO and 75% for other Senior Executives) and assumes all annual objectives are assessed at stretch performance.
- Variable (Equity) remuneration includes the deferred portion of the annual STI (40% for MD & CEO and 25% for other Senior Executives) and assumes all annual objectives and performance rights granted under the Ampol Equity Incentive Plan (AEIP) are assessed at stretch performance.

Directors' Report continued

Remuneration Report continued

5. Senior Executive remuneration in detail continued

2022 Short-term Incentive Program

Plan	STI awards are made under the Leading Results Program.
Plan design	The plan considers Company performance against key financial and non-financial performance measures defined in the Ampol (Company) Scorecard (65%) as well as individual contribution of the Senior Executive in delivering objectives aligned to our business area strategic priorities (35%).
Period	The performance period is for the 12 months ending 31 December 2022.
Incentive opportunity	For the MD & CEO the target STI opportunity is 70% of base salary and the maximum stretch STI opportunity is 105% of base salary. For other Senior Executives the target STI opportunity is 60% of base salary and the maximum stretch STI opportunity is 90% of base salary. Below threshold performance results in 0%.
Financial gateway	RCOP NPAT performance, including the cost of incentives, must achieve 80% of target before STI is payable for 65% of the Leading Results Program (the Ampol Scorecard).
Deferral	STI awards are delivered part in cash (60% for the MD & CEO, 75% for other Senior Executives), and part in restricted shares deferred for two years (where the deferred component is over \$25,000). Employer superannuation contributions are only payable on the cash portion of STI.
Restricted shares	The number of restricted shares granted will be calculated by dividing the deferred portion of Senior Executive STI outcome by the volume-weighted average price (VWAP) of the Company's ordinary shares for 20 trading days up to 1 January 2023. restricted shares will be granted on or around 15 April 2023 consistent with payment of the STI cash portion. Senior Executives will be restricted in trading shares until 1 April 2025 (Vesting Date).
Cessation of employment	Unless the Board determines otherwise, if you cease employment with a Group Company prior to the Vesting Date of restricted shares: • due to resignation or dismissal for cause, your restricted shares will immediately be forfeited; • for any other reason, (including due to retirement, Total and Permanent Disability, death or redundancy), your restricted shares will remain on foot and will vest at the original Vesting Date.
Frequency	STI awards are paid annually. Payments are made in the April following the end of the performance period and Board approval.
Board discretion	The Board has discretion to alter, remove or substitute performance measures at any time prior to payment and has full discretion in relation to calculations and outcomes.

Directors' Report continued

Remuneration Report continued

5. Senior Executive remuneration in detail continued

2022 Long-term Incentive Plan

Plan	The 2022 LTI award was granted under the AEIP.
LTI instrument	Performance rights are granted by the Company for nil consideration. Each Performance Right is an entitlement to receive one Restricted Share (or a cash payment of equivalent value), subject to satisfaction of the applicable performance conditions over the performance period and the cessation of employment rules outlined further below. Performance Rights do not carry any dividend or voting rights, or in general, a right to participate in other corporate actions, such as bonus issues. Performance Rights are not transferable (except in limited circumstances or with the consent of the Board). Following vesting, performance rights are converted to restricted shares and may not be sold or otherwise dealt with, until the end of the 12 month restricted period. Restricted shares are not transferable (except in limited circumstances or with the consent of the Board).
Allocation methodology	The number of Performance Rights granted has been calculated by dividing the maximum LTI opportunity by the VWAP of the Company's ordinary shares for 20 trading days up to the first day of the Performance Period, discounted to recognise that the Performance Rights have no rights to receive dividends.
Performance period	The performance period is three years commencing on 1 January in the year the awards are made. For the 2022 awards, this is the three year period from 1 January 2022 to 31 December 2024.
LTI opportunity	The MD & CEO received a grant of performance rights based on a maximum stretch LTI value of 150% of base salary. Other Senior Executive grants were based on a maximum stretch LTI value of 90% of base salary.
Performance measures	Vesting of Performance Rights is subject to the following performance conditions: • 50% of the Performance Rights are subject to a rTSR measure, reflecting shareholder experience; and • 50% of the Performance Rights are subject to a ROCE measure, reflecting the Company's return on capital.
Vesting	Vesting will occur in the April following the performance period once the performance measures have been assessed per the vesting schedule. For the 2022 awards, this will be April 2025.
Vesting schedule	rTSR performance⁽ⁱ⁾ and percentage of the rights that will vest: • Threshold (50th percentile): 50% • At or above Stretch (75th percentile): 100% • Pro-rata vesting occurs between threshold and stretch performance levels ROCE is determined as RCOP EBIT over capital employed where capital employed is total equity plus net debt. ROCE will be calculated by using the average RCOP EBIT and the average capital employed over the three year performance period. ROCE performance⁽ⁱⁱ⁾ and percentage of the rights that will vest: • Threshold: 33.3% • Target: 66.6% • Stretch: 100% • Pro-rata vesting occurs between threshold and target, and target and stretch performance levels

- (i) rTSR measures a return on an investment in Shares over the Performance Period, relative to companies that comprise Standard & Poor's S&P/ASX 100 index at the commencement of the Performance Period. The return is based on an investor's return, defined as the percentage difference between the initial amount invested in Shares and the final value of those Shares at the end date, assuming dividends were reinvested. Any effects from Share price volatility on a particular day at the beginning or end of the Performance Period are smoothed out by calculating the average Share price over a reasonable time period determined by the Board. The Board has discretion to adjust the comparator group to take into account events including, but not limited to, takeovers, mergers or de-mergers that might occur during the Performance Period. The Board retains discretion to adjust the TSR measure or vesting schedule in exceptional circumstances, including matters outside of management's influence, to ensure that a participant is neither advantaged nor disadvantaged by matters that may materially affect achievement of the TSR performance measure.
- (ii) Threshold ROCE performance has been set above our Weighted Average Cost of Capital (WACC) and target aligned to the three year business plan target approved in 2021. When testing the ROCE targets, the Board has full discretion in relation to its calculations and may include or exclude items, including to appropriately reflect the impact of corporate actions, such as mergers and acquisitions or major projects, which, while in shareholders' long term interests, may adversely impact near term ROCE. The Board considers ROCE targets as commercially sensitive, as disclosure could potentially indicate the Company's margins. Therefore, those targets will not be disclosed during the performance period. The Board will set out how Ampol has performed against ROCE performance measures in the 2024 Remuneration Report, to be published in February 2025.

Directors' Report continued

Remuneration Report continued

5. Senior Executive remuneration in detail continued

2022 Long-term Incentive Plan continued

Allocation of Shares upon vesting	Following determination of the extent to which the performance conditions have been satisfied (at the end of the three year performance period), vested Performance Rights will be automatically exercised, and one Restricted Share will be allocated for each vested Performance Right that is exercised (unless the Board decides to settle any vested Performance Rights in cash). The Company's obligation to allocate restricted shares on vesting and automatic exercise will be satisfied using shares that have been purchased on-market.		
Price payable for securities	No amount is payable in respect of the grant of Performance Rights, nor in respect of any Restricted Shares allocated following vesting of the Performance Rights.		
Cessation of employment	The treatment of the Performance Rights and Restricted Shares upon cessation of employment is summarised in the table below:		
	Date of cessation	Reason	Outcome
	Less than six months after grant date	Any	All Performance Rights will immediately lapse
	At least six months after grant date, but prior to vesting	Resignation or dismissal for cause	All Performance Rights will immediately lapse
		Any other reason	Unless the Board determines otherwise, Performance Rights will continue and vest on the original vesting date, subject to satisfaction of the performance conditions. The Board has discretion to determine that only a pro-rata number of Performance Rights continue, based on the Performance Period elapsed.
	Following vesting (whilst holding restricted shares)	Any	The restrictions on the Shares will immediately be lifted.
	The Board may exercise its discretion to determine a different treatment prior to or within 60 days of the cessation date. In the event that any additional lapsing of Performance Rights is determined by the Board, the lapse will be deemed to have taken effect on the cessation date.		
Malus and Clawback	The Plan provides the Board with the ability to reduce, vary or claw back Performance Rights, Restricted Shares and Shares in circumstances where the Board considers that the Senior Executive received inappropriate or unfair benefits in connection with their 2022 LTI, or any other remuneration. These circumstances may include fraud, dishonesty, gross misconduct, material misstatement of accounts or risk failures.		
Change of control provisions	Any unvested performance rights may vest at the Board's discretion.		

Senior Executive minimum shareholding requirements

A minimum shareholding requirement was introduced in 2021 and applies to the MD & CEO as 100% of fixed annual remuneration, and other Senior Executives as 50% of fixed annual remuneration. The minimum shareholding is to be obtained within five years following 1 January 2021, or five years from commencement as a Senior Executive in the LTI plan.

Directors' Report continued

Remuneration Report continued

5. Senior Executive remuneration in detail continued

Senior Executive remuneration and service agreements

Table 6: Summary of MD & CEO's service agreement

Term	Conditions
Duration	Ongoing until notice is given by either party
Termination by MD & CEO	Six months' notice Company may elect to make payment in lieu of notice
Termination by Company for cause	No notice requirement or termination benefits (other than accrued entitlements)
Termination by Company (other)	Six months' notice Termination payment of six months' base salary (reduced by any payment in lieu of notice) Treatment of unvested STI and LTI in accordance with plan terms
Post-employment restraints	Restraint applies for six months if employed in the same industry within Australia

Mr Matthew Halliday was appointed as Chief Financial Officer in April 2019. Mr Halliday received an award of restricted shares to compensate him for forgone LTI at his prior employer. The restricted share grant has fully vested. This arrangement was established prior to his appointment to the MD & CEO role on 29 June 2020.

Other Senior Executives

The remuneration and terms of employment for the other Senior Executives are formalised in service agreements (contracts of employment). Other Senior Executives are appointed as permanent Ampol employees, and the terms and conditions reflect market conditions at the time of the contract negotiation and appointment. The durations of the service agreements are open-ended (i.e. ongoing until notice is given by either party). The material terms of the service agreements are set out here.

Table 7. Service agreements for Senior Executives

	Termination on notice (by the Company)	Resignation (by the Senior Executive)
Permanently appointed Senior Executives	6 months	6 months

Should a Senior Executive resign, their entitlement to unvested shares payable through the Ampol Equity Incentive Plan (AEIP) would generally be forfeited and if resignation was on or before 1 April of the year, any entitlement under the Leading Results Program would also be forfeited subject to the discretion of the Board. Should a Senior Executive be made redundant, their redundancy payment is determined by the Ampol Redundancy Policy with the payment calculated based on years of service and the applicable notice period.

Other than prescribed notice periods, there is no special termination benefit payable under the service agreements. Statutory benefits (such as long service leave) are paid in accordance with the legislative requirements at the time the Senior Executive ceases employment.

Directors' Report continued

Remuneration Report continued

5. Senior Executive remuneration in detail continued

Executive General Manager, Z Energy and Associated Remuneration Arrangements

In year one of the Z Energy acquisition, there are a number of Z Energy legacy remuneration arrangements relating to Mr Bennetts as Executive General Manager, Z Energy. Remuneration disclosures relating to Mr Bennetts will appear in both the 2022 and 2023 remuneration reports and are described in full detail below.

The Z Energy Acquisition and the role of Executive General Manager, Z Energy

- On 10 May 2022 Ampol Limited acquired Z Energy with all shares in Z Energy being transferred to Ampol's wholly owned subsidiary Ampol Holdings NZ Limited. From this date Mr Bennetts became a KMP of Ampol Limited as he moved into the role of Executive General Manager, Z Energy.
 - On 7 September 2022 an announcement was made to the New Zealand Exchange to advise Mr Bennetts would step down from his role effective 1 March 2023 and would continue with Z Energy in a handover capacity until 31 March 2023.
 - Mr Bennetts will cease to be a KMP of Ampol as of 1 March 2023 at which point Mr Lindis Jones will become a KMP when he moves into the role of Executive General Manager, Z Energy.
 - As the new incumbent into the Executive General Manager, Z Energy role, from 1 March 2023, Mr Jones' remuneration arrangements will be aligned with Ampol as he will be part of the Ampol STI scheme.

Remuneration arrangements for Mr Bennetts as the Executive General Manager, Z Energy

- Prior to the acquisition of Z Energy, a retention arrangement was put in place by the then Z Energy Board. The retention was deferred cash equal to 75% of base salary, paid in two equal tranches (upon change of control three months thereafter). These amounts are reflected in table 5 and table 8.
- As part of the acquisition of Z Energy, Mr Bennetts continued as a participant in the Z Energy STI scheme:
 - When compared to Ampol's STI scheme, the Z Energy STI scheme has a different target opportunity, pay-out scale and no deferral of STI into equity. The Z Energy performance year also runs 1 April - 31 March, which was maintained in year one of the acquisition.
 - The Z Energy STI scheme uses a construct of a balanced scorecard representing Company performance as well as an individual performance assessment which combines with a maximum potential opportunity of 300% of target.
 - Mr Bennetts' STI target opportunity is 50% of fixed remuneration and using forecast performance as at 31 December 2022, a performance outcome for Mr Bennetts is anticipated in the order of 200% of target.
 - Mr Bennetts' full-year forecast STI outcome is included in table 2. The values represented in both table 5 and table 8 are shown as pro-rata amounts, representing the forecast accrual for the period from 10 May 2022 to 31 December 2022.
- Mr Bennetts' exit from the organisation effective 31 March 2023 triggered contractual exit entitlements. Following Mr Bennetts' last day of employment on 31 March 2023, Mr Bennetts will be entitled to nine months of base salary in line with entitlements in his employment contract, inherited by Ampol.
- Mr Bennetts' STI outcomes and contractual exit entitlements will be represented in Ampol's 2022 and 2023 remuneration reports.

Directors' Report continued

Remuneration Report continued

6. Outlook for 2023

Fixed remuneration

Following an internal and external benchmarking exercise and to keep pace with the current market dynamics, each of the Senior Executives will receive a 3% increase (includes Mr Halliday, Mr Merrick, Mr Brewer and Mr Barnes). Ms Thomson will receive a 5% increase. All increases are effective from 1 April 2023.

Aligned with our approach in since 2021, there will be no change to the fixed remuneration of NED fees. The overall NED fee pool will remain unchanged for 2023. The fee pool was approved by shareholders at the 2016 Annual General Meeting and is unchanged since that time.

Variable remuneration

Short-term Incentive plans

The construct of the Ampol Scorecard will be unchanged for 2023, maintaining a combination of Profit, Safety, Climate and Brand measures. These focus areas continue to strongly align to our strategy and future success in delivering sustainable value to our stakeholders.

The inclusion of climate measures has been a successful addition to the Ampol Scorecard for 2022 and will continue to embed a culture aligned and capable of delivering our decarbonisation commitments while managing our annual goals to create a successful pathway to our 2025 targets.

Long-term Incentive plans

There are no anticipated changes to the 2023 LTI plan. The terms of the 2022 LTI plan presented in section 5 of this report will apply consistently to the 2023 LTI grant to be awarded in April 2023.

Performance of the 2021 LTI grant will be tested at the year ending 31 December 2023 with the potential to vest in April 2024. The 2021 LTI grant is subject to equally weighted rTSR and ROCE performance measures.

We will continue to review our executive remuneration structure and market developments to ensure we remain competitive with peers.

Directors' Report continued

Remuneration Report continued

7. Senior Executive remuneration tables

Table 8: Total remuneration for Senior Executives in 2022 (statutory disclosures)

The following table sets out the audited total remuneration for Senior Executives in 2021 and 2022, calculated in accordance with statutory accounting requirements:

				Post-employment		Other long-term		Equity		Total
	Salary and fees ⁽ⁱ⁾	Bonus (short-term incentive) ⁽ⁱⁱ⁾	Non-monetary benefits ⁽ⁱⁱⁱ⁾	Retirement benefit ^(iv)	Post-employment entitlements ^(v)	Other ^(vi)	Retention Award ^(vii)	Share benefits ^(viii)	Rights benefits (long-term incentive) ^(ix)	Total
Current Senior Executives										
Matthew Halliday ^(x)										
2022	1,936,636	907,830	56,980	119,752	–	41,242	–	572,871	1,590,957	5,226,268
2021	1,964,671	921,690	64,414	114,800	–	41,242	255,500	691,102	871,953	4,925,372
Greg Barnes ^{(x) (xi)}										
2022	1,128,808	560,025	4,769	83,233	–	23,745	–	114,291	614,594	2,529,464
2021	536,580	547,200	4,668	66,504	–	11,982	–	56,088	192,018	1,415,040
Michael Bennetts ^(xii)										
2022	1,002,959	748,716	1,126	158,489	481,317	–	842,306	–	222,359	3,457,272
2021	–	–	–	–	–	–	–	–	–	–
Andrew Brewer ^(x)										
2022	914,839	457,200	4,873	72,436	–	19,996	–	91,932	310,844	1,872,119
2021	866,674	456,863	11,148	68,317	–	19,371	–	46,828	104,651	1,573,852
Brent Merrick										
2022	777,881	463,838	32,186	168,468	–	19,371	–	89,122	379,480	1,930,346
2021	688,012	418,275	89,446	125,229	–	17,871	–	42,873	308,889	1,690,595
Kate Thomson ^{(x) (xiii)}										
2022	614,876	447,233	1,607	71,389	–	13,472	–	45,841	210,946	1,405,364
2021	–	–	–	–	–	–	–	–	–	–
Former Senior Executive										
Joanne Taylor ^{(x) (xiv)}										
2022	370,582	–	3,483	11,784	–	6,601	–	(51,291)	(197,562)	143,597
2021	1,077,656	502,855	18,206	72,916	–	20,240	147,779	51,542	331,355	2,222,549
Total remuneration:										
2022	6,746,581	3,584,842	105,024	685,551	481,317	124,427	842,306	862,765	3,131,618	16,564,431
2021	5,133,593	2,846,883	187,882	447,766	–	110,706	403,279	888,433	1,808,866	11,827,408

Directors' Report continued

Remuneration Report continued

7. Senior Executive remuneration tables continued

Table 8: Total remuneration for Senior Executives in 2022 (statutory disclosures) continued

- (i) Salary and fees include base salary and cash payments in lieu of employer superannuation in excess of the quarterly maximum superannuation contributions base. These figures also include any annual leave accruals for Senior Executives.
- (ii) Bonus represents the cash component of the 2022 STI payable in April 2023 excluding employer superannuation contribution. For Mr Bennetts this represents the outcome based on the full year forecast performance of Z Energy as at to 31 December 2022. The Board will approve the final STI outcome for Mr Bennetts at the conclusion of the Z Energy performance period ending 31 March 2023. The value for Mr Bennetts represents the amount of STI accrued in 2022.
- (iii) The non-monetary benefits received by Senior Executives include car parking benefits, employee AmpolCard benefits, the payment of the default premiums for death and total and permanent disability insurance cover and related fringe benefits tax payments made by Ampol.
- (iv) Retirement benefit includes the employer Superannuation and KiwiSaver contributions paid and includes the full value of employer superannuation on the cash component of the 2022 STI payable in April 2023.
- (v) The value shown represents 57% of the total of Mr Bennetts' post-employment entitlements accrued in 2022. The remaining 43% will be payable following his exit from the business on 31 March 2023 and represented in Ampol's 2023 remuneration report.
- (vi) Other long-term remuneration represents the long service leave accruals for all Senior Executives.
- (vii) Mr Bennetts received a one-off retention award which was granted by the Z Energy Board prior to the acquisition of Z Energy by Ampol. For Mr Halliday and Ms Taylor, as disclosed in the 2020 Remuneration Report, to mitigate the heightened retention risk during a protracted takeover bid and to ensure Senior Executive team stability through the transition of MD & CEO, a one-off cash retention award was granted. This value represents the amount of the retention award accrued for in 2021.
- (viii) Share benefits represent the value of the deferred component of STI delivered in restricted shares that have been or that will be awarded to Senior Executives. For Mr Halliday this includes the value of restricted shares granted to him upon commencement. These values have been calculated in accordance with accounting standards with further details regarding these awards set out in table 10.
- (ix) These values have been calculated in accordance with accounting standards. The values may not represent the future value that the Senior Executive will receive, as the vesting of the performance rights is subject to Ampol achieving pre-defined performance measures. The value of restricted shares and Performance Rights is amortised over the applicable vesting period. The amount shown is the amortisation relating to the 2022 reporting year (and 2021 as a comparison). The accounting value of share-based payments may be negative where a Senior Executive's share-based payment expense includes adjustments for previously incurred expenses relating to an award that has not met its vesting conditions. For Mr Merrick this amount includes the value of a one-off award of share rights granted in 2019.
- (x) These Senior Executives elect to receive an equivalent cash payment in lieu of employer superannuation in excess of the quarterly maximum superannuation contributions base.
- (xi) Mr Barnes was appointed Group Chief Financial Officer effective 1 July 2021. To attract Mr Barnes to the role in the middle of the performance period in 2021, it was agreed that he would be entitled to a full-year 2021 STI opportunity based on full year contractual salary and meeting clear performance objectives in lieu of any sign-on arrangement.
- (xii) Ampol's acquisition of Z Energy was completed 10 May 2022, at which point Mr Bennetts became KMP. Mr Bennetts will cease to be a KMP from 1 March 2023 and cease employment on 31 March 2023. Mr Lindis Jones will move from the role Chief Financial Officer Z Energy to the role of Executive General Manager, Z Energy, effective 1 March 2023.
- (xiii) Ms Thomson was appointed Executive General Manager, Retail Australia effective 1 April 2022.
- (xiv) Ms Taylor resigned from Ampol on 14 February 2022. Upon cessation of employment, the restricted shares component of 2021 STI, was forfeited. Ms Taylor retained eligibility to the 2019 LTI award and forfeited eligibility to the 2020 and 2021 LTI awards upon cessation of employment.

Directors' Report continued

Remuneration Report continued

7. Senior Executive remuneration tables continued

Table 9: Unvested shareholdings of Senior Executives during 2022

	Unvested shares at 31 Dec 2021	Restricted shares granted ⁽ⁱ⁾	Shares vested in current performance year	Forfeited	Unvested shares at 31 Dec 2022
Matthew Halliday ⁽ⁱⁱ⁾	32,535	21,492	32,535	–	21,492
Greg Barnes	–	6,380	–	–	6,380
Andrew Brewer	–	5,327	–	–	5,327
Brent Merrick	–	4,877	–	–	4,877
Former Senior Executives					
Joanne Taylor ⁽ⁱⁱⁱ⁾	–	5,863	–	5,863	–

- (i) Represents the deferred portion of the 2021 STI restricted for two years per the terms of the Leading Results STI Program.
- (ii) The restricted shares that vested to Mr Halliday represent the grant received on commencement with Ampol in lieu of the LTI forgone with his previous employer (refer to section 5 for further detail). 17.5% vested in October 2019, 17.5% vested in October 2020, and 30.2% vested in October 2021. The final tranche of 34.8% vested in October 2022.
- (iii) Ms Taylor resigned from Ampol on 14 February 2022. The Board exercised its discretion to pay STI for 2021 given the strong performance and contribution over the full performance period. Upon cessation of employment the restricted shares component of 2021 STI (being 25%) was forfeited.

Table 10: 2022 Senior Executive performance rights

LTIs for Senior Executives are awarded as performance rights under the AEIP as detailed in section 5. The following table demonstrates movement in performance rights held by Senior Executives during the year, including details of the performance rights that vested as presented in table 5.

	Performance rights at 1 Jan 2022 ⁽ⁱ⁾	Granted in 2022 ⁽ⁱⁱ⁾	Vested in 2022 ⁽ⁱⁱⁱ⁾	Lapsed in 2022 ^(iv)	Balance at 31 December 2022 ^(v)
Current Senior Executives					
Matthew Halliday	202,125	93,964	(5,001)	(32,504)	258,584
Greg Barnes	52,326	32,460	–	–	84,786
Michael Bennetts ^(vi)	–	38,388	–	–	38,388
Andrew Brewer	25,612	27,334	–	–	52,946
Brent Merrick	56,990	26,480	(7,853)	(12,545)	63,072
Kate Thomson ^(vii)	27,826	24,430	(7,282)	(5,473)	39,501
Former Senior Executives					
Joanne Taylor ^(viii)	81,407	–	(4,158)	(77,249)	–

- (i) This relates to the 2019, 2020 and 2021 performance rights. If the service-based and performance-based vesting conditions are achieved, the 2020 and 2021 performance rights will vest in 2023 and 2024 respectively. For Mr Merrick and Ms Thomson this value includes a one-off award of share rights granted in 2019.
- (ii) This relates to the 2022 performance rights. If the service-based and performance-based vesting conditions are achieved, these performance rights will vest in 2025.
- (iii) This relates to the 2019 performance rights of which 13.33% vested. Senior Executives received one Ampol share for each right that vested. For Mr Merrick and Ms Thomson this value includes a one-off award of share rights granted in 2019.
- (iv) This relates to the 2019 performance rights of which 86.67% lapsed and for the former Senior Executives the full or pro-rated portion of unvested performance rights which lapsed on cessation of employment. Refer to section 5.
- (v) The performance rights for any former Senior Executives are as at the date they ceased employment or retired from their office.
- (vi) Ampol's acquisition of Z Energy was completed 10 May 2022, at which point Mr Bennetts became KMP. Mr Bennetts will cease to be a KMP from 1 March 2023 and cease employment on 31 March 2023. Mr Lindis Jones will move from the role Chief Financial Officer Z Energy to the role of Executive General Manager, Z Energy, effective 1 March 2023.
- (vii) Ms Thomson was appointed Executive General Manager, Retail Australia effective 1 April 2022.
- (viii) Ms Taylor resigned from Ampol on 14 February 2022.

Directors' Report continued

Remuneration Report continued

7. Senior Executive remuneration tables continued

Table 11: Valuation assumptions of performance rights granted

The fair value of performance rights granted under the AEIP is determined independently by Deloitte using an appropriate numerical pricing model. The model considers a range of assumptions and the fair values for each year of grant have been calculated incorporating the assumptions below.

	2022 grant ⁽ⁱ⁾⁽ⁱⁱ⁾		2021 grant ⁽ⁱ⁾⁽ⁱⁱ⁾		2020 grant ⁽ⁱ⁾⁽ⁱⁱ⁾	
	rTSR against S&P/ASX 100	ROCE measure	rTSR against S&P/ASX 100	ROCE measure	rTSR against S&P/ASX 100	ROCE measure
Grant date	07 April 2022 25 May 2022	07 April 2022 25 May 2022	07 April 2021 24 May 2021 15 July 2021	07 April 2021 24 May 2021 15 July 2021	03 April 2020	03 April 2020
Vesting date	1 April 2025	1 April 2025	1 April 2024	1 April 2024	1 April 2023	1 April 2023
Exercise price	Nil	Nil	Nil	Nil	Nil	Nil
Volatility	34% 34%	34% 34%	33% 34% 34%	33% 34% 34%	29%	29%
Risk-free interest rate	2.7% 2.8%	2.7% 2.8%	0.3% 0.2%	0.3% 0.2%	0.2%	0.2%
Dividend yield	2.9% 2.8%	2.9% 2.8%	2.0% 1.7% 1.6%	2.0% 1.7% 1.6%	3.6%	3.6%
Expected life (years)	3.0 2.9	3.0 2.9	3.0 2.9 2.7	3.0 2.9 2.7	3.0	3.0
Share price at grant date	\$31.80 \$33.58	\$31.80 \$33.58	\$24.57 \$29.02 \$29.30	\$24.57 \$29.02 \$29.30	\$23.00	\$23.00
Valuation per right	\$20.95 \$23.84	\$29.15 \$31.03	\$10.06 \$16.16 \$15.01	\$23.18 \$27.69 \$28.03	\$9.07	\$20.65

- (i) Market performance measures, such as rTSR, must be incorporated into the option-pricing model valuation used for the AEIP performance rights, which is reflected in the valuation per performance right. Non-market vesting conditions such as ROCE and strategic measures are not taken into account when determining the value of the performance right. This explains the higher valuation for these performance rights. However, the value of the ROCE measures may be discounted during the performance period to reflect the Board's assessment of the probability of the number of equity instruments that will vest based on progress against the performance measures. Table 8 reflects these values.
- (ii) The majority of Senior Executive awards are made in April of each year, with the MD & CEO's awards made after shareholder approval has been obtained at the Annual General Meeting held in May. In 2022 an AEIP performance rights grant was made to Mr Bennetts at the same time as the MD & CEO. In 2021 an AEIP performance rights grant was made to Mr Barnes upon commencement. Approval of Mr Halliday's 2020 award was not sought as he was Interim CEO and not Managing Director at this time.

Directors' Report continued

Remuneration Report continued

8. Non-executive Director remuneration

Summary of 2022 Non-executive Director fees

NED fees are fixed and do not have any variable components. The Chairman receives a fee for chairing the Ampol Limited Board and is not paid any other fees. Other NEDs receive a base fee and additional fees for Committee chairship and membership, except for the Nomination Committee where no additional fee is paid.

NEDs base fees did not change in 2022 and no changes to NED fees are anticipated in 2023.

Superannuation contributions were increased, consistent with the Superannuation Guarantee legislation. No additional retirement benefits were paid.

Fees paid to NEDs are subject to a maximum annual NED fee pool of \$2.5 million (including superannuation). The fee pool was approved by shareholders at the 2016 Annual General Meeting and is unchanged since that time.

Our approach to Non-executive Director fees

Ampol's business and corporate operations are managed under the direction of the Board. The Board oversees the performance of Ampol's management in seeking to deliver superior business performance and long-term growth in shareholder value. The Board recognises that providing strong leadership and strategic guidance to management is important to achieve our goals and objectives.

Under the Ampol Constitution and the ASX Listing Rules, the total annual fee pool for NEDs is approved by shareholders. Within this aggregate amount, NED fees are reviewed by the Human Resources Committee, considering recommendations from an independent remuneration consultant, and set by the Board.

Fees for NEDs are set at a level to attract and retain directors with the necessary skills and experience to allow the Board to have a proper understanding of, and competence to deal with, current and emerging issues for Ampol's business. The Board seeks to attract directors with different skills, experience, expertise and diversity. Additionally, when setting NED fees, the Board considers factors such as external market data on fees and the size and complexity of Ampol's operations.

NEDs do not participate in any Ampol incentive plan.

Table 12: 2022 Non-executive Director fees

The following table outlines the 2022 NED fees.

	Board		Committees ⁽ⁱ⁾	
	Chairman	Member	Committee Chairman	Member
2022 fee ^{(ii) (iii)}	\$502,207	\$167,403	\$46,000	\$20,000

(i) Comprising the Audit Committee, Human Resources Committee, and Safety and Sustainability Committee. No fees are paid to the Chair, or members of the Nomination Committee.

(ii) Ampol paid superannuation consistent with the Superannuation Guarantee for NEDs in addition to the above fees in 2022.

(iii) During 2022 a subsidiary Board was established in New Zealand. Fees for the Chairman and Member of this subsidiary Board were set at AUD\$50,000 and AUD\$40,000 respectively and any fees paid are represented in table 13.

Directors' Report continued

Remuneration Report continued

8. Non-executive Director remuneration continued

Non-executive Director remuneration

Table 13: Non-executive Director fees in 2022 (statutory disclosures)

The following table sets out the audited NED fees in 2021 and 2022, calculated in accordance with statutory accounting requirements and which reflect the actual remuneration received during the financial year. NEDs are not eligible to receive any cash or equity-based incentives.

	Salary and fees ⁽ⁱ⁾	Other Board fees ⁽ⁱⁱ⁾	Superannuation ⁽ⁱⁱⁱ⁾	Total
Current Non-executive Directors				
Steven Gregg (Chairman)				
2022	502,207		51,476	553,683
2021	502,207		48,965	551,172
Simon Allen ^(v) ^(viii)				
2022	62,468	16,766	6,559	85,793
2021	–		–	–
Mark Chellew				
2022	207,403		21,259	228,662
2021	207,403		20,222	227,625
Melinda Conrad ^(vi)				
2022	233,403		23,924	257,327
2021	224,168		21,855	246,023
Elizabeth Donaghey ^(vii)				
2022	207,403		21,259	228,662
2021	69,134		6,913	76,048
Michael Ihlein ^(iv)				
2022	251,200		6,127	257,327
2021	256,160		–	256,160
Gary Smith				
2022	207,403		21,259	228,662
2021	207,403		20,222	227,625
Penny Winn ^(ix)				
2022	233,403	26,667	23,924	283,994
2021	233,403		22,757	256,160

(i) In addition to salary and fees, Gary Smith received a non-monetary benefit through the AmpolCard of \$1,025 for the year ending 31 December 2022.

(ii) These amounts represent fees associated with roles held on subsidiary Boards of Ampol; Z Energy Limited and Z Energy 2015 Limited. These fees do not attract superannuation and/or pension contributions.

(iii) Superannuation contributions are made on behalf of NEDs to satisfy Ampol's obligations under the Superannuation Guarantee legislation. Fees paid to NEDs may be subject to fee sacrifice arrangements for superannuation.

(iv) This NED was provided a superannuation guarantee employer shortfall exemption from the Australian Taxation Office and was provided employer superannuation contributions as a cash allowance for part of the year.

(v) Mr Allen was appointed to the Board as an Independent, Non-executive Director effective 1 September 2022.

(vi) Ms Conrad was appointed Chair of the Human Resources Committee effective 13 May 2021.

(vii) Ms Donaghey was appointed to the Board as an Independent, Non-executive Director effective 1 September 2021.

(viii) Mr Allen was appointed to the Boards of Z Energy Limited and Z Energy 2015 Limited effective 1 September 2022.

(ix) Ms Winn was appointed to the Boards of Z Energy Limited and Z Energy 2015 Limited effective 10 May 2022.

Directors' Report continued

Remuneration Report continued

8. Non-executive Director remuneration continued

Shareholdings of Key Management Personnel

Table 14: Shareholdings of Key Management Personnel

The movement during the reporting period in the number of shares of Ampol Limited held directly or indirectly by each KMP, including their personally related entities, is in the following table.

Each NED is required to hold an interest in shares in Ampol with a market value no less than their Board base fee, within three years of appointment to the Board. A minimum shareholding requirement is also in place for current Senior Executives (refer to section 5).

	Held at 31 Dec 2021 ⁽ⁱ⁾	Purchased	Vested	Sold	Held at 31 Dec 2022 ⁽ⁱⁱ⁾
Current Directors					
Steven Gregg	16,000	4,000	–	–	20,000
Simon Allen ⁽ⁱⁱⁱ⁾	–	–	–	–	0
Mark Chellew	6,900	–	–	–	6,900
Melinda Conrad	8,000	–	–	–	8,000
Elizabeth Donaghey	1,600	1,600	–	–	3,200
Michael Ihlein	7,720	–	–	–	7,720
Gary Smith	2,150	3,019	–	–	5,169
Penny Winn	7,461	–	–	–	7,461
Current Senior Executives					
Matthew Halliday	64,319	5,357	37,536	–	107,212
Greg Barnes	7,500	–	–	–	7,500
Michael Bennetts ^(iv)	–	31	–	–	31
Andrew Brewer	17,644	–	–	–	17,644
Brent Merrick	874	–	7,853	–	8,727
Kate Thomson ^(v)	7,282	–	–	6,440	842
Former Senior Executives					
Joanne Taylor ^(vi)	5,331	–	4,158	–	9,489

- (i) The shareholdings for any Directors or senior Executives are as at this date or if appointed during the year, the date of appointment to their office.
- (ii) The shareholdings for any former Directors or former Senior Executives are as at the date they ceased employment or retired from their office.
- (iii) Mr Allen was appointed to the Board as an Independent, Non-executive Director effective 1 September 2022.
- (iv) Ampol's acquisition of Z Energy was completed 10 May 2022, at which point Mr Bennetts became KMP. Mr Bennetts will cease to be a KMP from 1 March 2023 and cease employment on 31 March 2023. Lindis Jones will move from the role Chief Financial Officer Z Energy to the role of Executive General Manager, Z Energy, effective 1 March 2023.
- (v) Ms Thomson was appointed Executive General Manager, Retail Australia effective 1 April 2022.
- (vi) Ms Taylor resigned from Ampol on 14 February 2022.

Other Key Management Personnel transactions

Apart from as disclosed in the indemnity section of the Directors' Report, no KMP have entered into a material contract, loan or other transaction with any entity in the Ampol Group during the year ended 31 December 2022 (2021: nil).

Directors' Report continued

Remuneration Report continued

8. Non-executive Director remuneration continued

Board and Committee meetings

The Ampol Board met eight times during the year ended 31 December 2022. In addition, Directors attended Board strategy sessions and workshops, and special purpose Committee meetings during the year.

The number of Board and Committee meetings attended by each Director during 2022 are set out in the following table.

Table 15: Board and Committee meetings

Director ⁽ⁱ⁾	Board ⁽ⁱⁱ⁾		Audit Committee		Human Resources Committee		Nomination Committee		Safety and Sustainability Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Current Directors										
Steven Gregg	8	8	–	–	–	–	2	2	–	–
Matthew Halliday	8	8	–	–	–	–	–	–	–	–
Simon Allen ⁽ⁱⁱⁱ⁾	2	2	–	–	–	–	–	–	1	1
Mark Chellew	8	8	–	–	4	4	2	2	4	4
Melinda Conrad	8	8	5	5	4	4	2	2	–	–
Michael Ihlein	8	8	5	5	4	4	2	2	–	–
Gary Smith	8	8	5	5	–	–	2	2	4	4
Elizabeth Donaghey	8	7	–	–	4	3	2	–	4	4
Penny Winn	8	8	5	5	–	–	2	2	4	4

- (i) All Directors are invited to (and regularly attend) Committee meetings; this table lists attendance only where a Director is a member of the relevant Committee. A number of Directors also participated in Board Committees convened for special purposes.
- (ii) Includes out of session meetings but excludes strategy workshops and briefings.
- (iii) Mr Allen attended all Board and Committee meetings where he is a member of the relevant committee from the time of appointment as an Independent, Non-executive Director effective 1 September 2022.

Shares and interests

The total number of ordinary shares on issue at 31 December 2022 was 238,302,099 shares (2021: 238,302,099 shares on issue). The total number of rights on issue at the date of this report is 1,427,272 (2021: 1,324,004). 755,037 rights were issued during 2022 (2021: 496,350). 668,613 rights vested or lapsed during the year (2021: 531,616). On vesting, Ampol is required to allocate one ordinary share for each right. For each right that vests, Ampol intends to purchase a share on market.

Directors' interests

The Directors' relevant interests in the shares of Ampol Limited at 31 December 2022 are set out in the following table.

Table 16: Directors interests

Director	Shareholding	Nature of interest
Steven Gregg	20,000 shares	Indirect interest
Matthew Halliday	107,212 shares	Direct interest
	21,492 restricted shares	Direct interest
	258,584 performance rights	Direct interest
Simon Allen ⁽ⁱ⁾	0 shares	Not applicable
Mark Chellew	6,900 shares	Indirect interest
Melinda Conrad	8,000 shares	Indirect interest
Elizabeth Donaghey	3,200 shares	Direct Interest
Michael Ihlein	7,720 shares	Indirect interest
Gary Smith	5,169 shares	Indirect interest
Penny Winn	7,461 shares	Indirect interest

- (i) Mr Allen was appointed to the Board as an Independent, Non-executive Director effective 1 September 2022.

None of the above Directors have acquired or disposed of any relevant interests in the Company's shares in the period from 1 January 2023 to the date of this Annual Report.

Directors' Report continued

Remuneration Report continued

9. Appendix: Consideration of the government fuel security package

In 2021, following comprehensive analysis and constructive engagement with the Government, Ampol determined to keep the Lytton refinery open to support Australia in its dual objectives of fuel security and an orderly transition to renewable energy sources.

This Appendix sets out the background and principles the Board has used, and will use in future, to assess the extent to which incentive outcomes are appropriate in light of any payments received under the Fuel Security Act 2021 (Cth). In 2022 Ampol did not receive any financial support as part of the Fuel Security Package.

Australia's Fuel Security Package

The decision to continue operating at the Lytton refinery was confirmed by a comprehensive fuel security package (Security Package) which has been legislated in the new [Fuel Security Act 2021](#).

The Security Package is a multi-year arrangement that helps underpin the viability of Australia's transport fuel refining industry including Ampol's Lytton refinery over the medium term, as well as supporting investment in infrastructure upgrades that will deliver the manufacture of cleaner fuels.

The Security Package has three key components:

- The potential to receive a variable Fuel Security Services Payment (FSSP) for six years up until mid-2027 (with Ampol having an option to extend for another three years). The FSSP is structured to provide a variable payment when refining margins are low, and no payment when refining margins are high, reducing volatility for refiners and ensuring payments are targeted to the times they are most needed,
- Grants for infrastructure upgrades at refineries to bring forward the introduction of better fuels from 2027 to 2024, and
- Support in the design and implementation of Minimum Stockholding Obligations (MSO) aligned with overall fuel security.

Multi-year variable Fuel Security Services Payment

The FSSP is a partnership that has been negotiated with the Australian Government, helping Australia meet the dual objectives of fuel security and energy transition. Payments under the partnership will only be received in periods of low refiner margins.

In 2022, Ampol did not receive any payments as part of the FSSP.

Principles used in the consideration of the government fuel security package

Given the Security Package is a multi-year arrangement, each year the Board will assess the extent to which the incentive outcomes are appropriate in light of any payments received and will exercise discretion as appropriate.

In reviewing incentive outcomes, the Board has adopted the following principles to guide its decision making. It will consider:

- **Principle 1:** Ampol's achievement towards the dual objectives of the program being fuel security and energy transition as agreed with the Government.
- **Principle 2:** Management's contribution to the broader performance of the Company and Lytton refinery to ensure there is no unintended windfall gain or loss (perceived or real) arising from receiving Australian Government financial support.
- **Principle 3:** The materiality of any payment received (or otherwise) – the greater the financial payment provided by the Government, the greater need for the Board to focus on whether any judgement should be applied to adjust incentive outcomes.
- **Principle 4:** Evolving stakeholder views across the Government, employees, community, and shareholders as to impact of the Security Package.

Directors' Report continued

Remuneration Report continued

9. Appendix: Consideration of the government fuel security package continued

2022 assessment against the principles

In 2022 Ampol did not receive any financial support as part of the Fuel Security Package.

The Board have continued to track and monitor Ampol's position against the principles, as set out here.

Principle 1: We continue to make progress towards the dual objectives:

Fuel Security

- The operation of the Lytton refinery continues to enhance national fuel security through the ability to process Australian based crude and condensates and the shorter and more secure supply chain compared to imported product.

Energy Transition

- There has been substantial progress during 2022 in developing the projects to produce ultra-low sulphur fuel including:
 - The Queensland Government gazetting the project to fast-track approvals. This project is subject to a Phase 1 Federal Government grant of \$125m. The current forecast regarding the claim and receipt of these funds is 20% in 2023; 50% in 2024; and 30% in 2025.
 - This work will ultimately produce ultra-low sulphur fuel, allowing for lower emissions from vehicles and wider optionality for Australian motorists as we transition to alternative transport fuel sources.
- Ampol has continued to invest in alternate and new energy sources to enable mobility with the launch of AmpCharge and an ongoing program to install electric vehicle charging points.

Principle 2: Management has contributed to the broader performance of the Company and Lytton refinery:

- Refinery performance in 2022 has continued the safe and reliable operations shown in 2021, with volumes of ~6.1BL and yields > 99%, which is underpinned by reliable assets and capable management and workforce.

Principle 3: The materiality of any payment:

- This principle is not relevant for 2022 as Ampol did not receive any financial support under the Fuel Security Package.

Principle 4: Ampol's key stakeholders are supportive of the keeping the refinery open:

- **Government:** the refinery maintains a strong social licence to operate with both Federal and State governments valuing the operation for fuel security and the highly skilled employment it provides.
- **Community:** remains highly supportive as evidenced by engagement with industrial neighbours and the local communities.
- **Employees:** provides continued employment to 550 manufacturing jobs and many more indirectly. Cultural health surveys indicate employees are committed to Ampol.
- **Shareholders:** the Fuel Security Package significantly reduces earnings volatility and downside risk while retaining full benefit to earnings upside. This negotiated arrangement enhances shareholder value, while retaining the optionality to transition the strategically located site to alternative uses in the future. Shareholders have benefited from the financial returns in 2022 which have been boosted by favourable refiner margins.

Directors' Report continued

Non-audit services

KPMG is the external auditor.

In 2022, KPMG performed non-audit services for Ampol in addition to its statutory audit and review engagements for the full year and half year.

KPMG received, or was due to receive, the following amounts for services performed for Ampol during the year ended 31 December 2022:

- for audit and review services – total fees of \$2,252,000 (2021: \$2,096,000);
- for regulatory assurance services – total fees of \$100,000
- for assurance services – total fees of \$119,000 (2021: \$148,500); and
- for other services – total fees \$5,000 (2021: \$17,400).

The Board has received written advice from the Audit Committee in relation to the independence of KPMG, as external auditor, for 2022. The advice was made in accordance with a resolution of the Audit Committee.

The Directors are satisfied that:

- the provision of non-audit services to the Ampol Group during the year ended 31 December 2022 by KPMG is compatible with the general standard of independence for auditors imposed by the Corporations Act; and
- the provision of non-audit services during the year ended 31 December 2022 by KPMG did not compromise the auditor independence requirements of the Corporations Act for the following reasons:
 - the provision of non-audit services in 2022 was consistent with the Board's policy on the provision of services by the external auditor;
 - the non-audit services provided in 2022 are not considered to be in conflict with the role of external auditor and
 - the Directors are not aware of any matter relating to the provision of the non-audit services in 2022 that would impair the impartial and objective judgement of KPMG as external auditor.

Company Secretary

The following person is the current Company Secretary of Ampol as at the date of this report:

Faith Taylor

Faith Taylor was appointed to this position on 21 June 2022. She was subsequently appointed to the role of Executive General Manager, Group Counsel, Regulation and Company Secretary on 12 December 2022.

Faith has more than 25 years' experience as a lawyer and prior to joining Ampol, was a partner at Clayton Utz in their Energy Team for 11 years. She brings a wealth of experience and knowledge advising on energy transition, renewables, and carbon initiatives across both the Government and corporate sectors.

Faith holds Bachelors of Law and Arts from The University of Sydney.

Indemnity and Insurance

Ampol has paid insurance premiums for Directors' and officers' liability for current and former Directors and officers of the Company, its subsidiaries and related entities.

The insurance policies prohibit disclosure of the nature of the liabilities insured against and the amount of the premiums.

The Constitution provides that each officer of the Company and, if the Board considers it appropriate, any officer of a subsidiary of the Company be indemnified out of the assets of the Company to the relevant extent against any liability incurred by the officer in or arising out of the conduct of the business of the Company or the subsidiary (as the case may be) or in or arising out of the discharge of the duties of the officer, unless incurred in circumstances that the Board resolves do not justify indemnification.

Where the Board considers it appropriate, the Company may execute a documentary indemnity in any form in favour of any officer of the Company or a subsidiary of the Company, provided that such terms are not inconsistent with the Constitution. For more information, refer to the Constitution on the Ampol website.

Rounding of amounts

Ampol Limited is an entity to which the Australian Securities and Investments Commission Corporations Instrument 2016/191 applies. Amounts in the 2022 Directors' Report and the 2022 Financial Report have been rounded off to the nearest hundred thousand dollars (unless otherwise stated) in accordance with that instrument.

The Directors' Report is made in accordance with a resolution of the Board of Ampol Limited.



Steven Gregg
Chairman



Matthew Halliday
Managing Director & Chief Executive Officer
Sydney, 20 February 2023



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Ampol Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of for the financial year ended 31 December 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten version of the KPMG logo in black ink.

KPMG

A handwritten signature in black ink, appearing to read 'Julian McPherson'.

Julian McPherson

Partner

Sydney

20 February 2023

Directors' Declaration

In the opinion of the Directors of Ampol Limited (the Company):

- a) the Financial Statements and notes that are contained in pages 105 to 169 and the Remuneration Report set out on pages 65 to 95 are in accordance with the *Corporations Act 2001* (Cth), including:
- (i) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards, and the Corporations Regulations 2001.
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- c) at the date of this declaration, there are reasonable grounds to believe that the companies in the Ampol Group that are parties to the Deed of Cross Guarantee as identified in Note F1 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee described in Note F1; and
- d) a statement of compliance with International Financial Reporting Standards has been included in note A to the Financial Statements for the year ended 31 December 2022.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* (Cth) from the Managing Director and CEO and the Group Chief Financial Officer for the financial year ended 31 December 2022.

Signed in accordance with a resolution of the Directors:



Steven Gregg
Chairman



Matthew Halliday
Managing Director & Chief Executive Officer
Sydney, 20 February 2023



Independent Auditor's Report

To the shareholders of Ampol Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Ampol Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated balance sheet as at 31 December 2022;
- Consolidated income statement, Consolidated statement of comprehensive income, Consolidated statement of changes in equity and Consolidated cash flow statement for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.



Key Audit Matters

The **Key Audit Matters** we identified are:

- Site remediation and dismantling provisions
- Carrying value of non-current assets
- Acquisition accounting
- Taxation of Singaporean entities

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Site remediation and dismantling provisions A\$638m

Refer to Note C7 to the Financial Report

The key audit matter	How the matter was addressed in our audit
The Group's determination of the site remediation and dismantling provisions is considered a key audit matter. This is due to the inherent complexity in estimating the amounts and timing of future remediation and dismantling costs, particularly those forecast to be incurred several years in the future. This is influenced by: • Current environmental, regulatory and contractual requirements, and the impact of the completeness of environmental remediation activities incorporated into the provision estimate; • The expected environmental management strategy, and the nature of costs incorporated into the provision estimate; • Third party expert advice obtained by management regarding their obligations and estimates of future costs; • Historical experience, and whether this is a reasonable predictor when evaluating forecast costs; and • The expected timing of the expenditure.	Our procedures included: • Assessing the consistency of the basis for recognition and measurement of the provisions with environmental and regulatory requirements, contractual lease terms and the requirements of the accounting standards; • Reading the Group's board minutes, litigation register, third party expert advice and correspondence with regulatory authorities to identify legal environmental obligations and checking these were appropriately considered in the determination of the provisions; • Recalculating the mathematical accuracy for a sample of the provision calculations; • Comparing the expected timing of remediation work against the Group's remediation plans or expected period of site operation which was determined with reference to the useful life of underlying site assets or site lease term; • Working with our environmental specialists, we: • evaluated the scope, competence, experience and objectivity of the Group's internal and external experts; • assessed the nature and quantum of cost estimates in third party expert advice, including contingency levels,



	against the industry guidelines and standard practice; • corroborated a sample of estimates used in the provision calculations to underlying evidence such as third party support and actual expenditure incurred by the Group. • Performing sensitivity analysis over key estimates and assumptions, including discount rate and inflation rate by making changes that we consider reasonably possible to assess the impact on the provision determined by management.
Carrying value of non-current assets \$5.220b	
Refer to Note C3 & C4 to the Financial Report	
The key audit matter	How the matter was addressed in our audit
Assessment of the recoverability of non-current assets including property plant and equipment of \$3.6b and intangibles assets \$1.6b, including goodwill of \$673m was a key audit matter given the size of the balances. Management conducts annual impairment tests to assess the recoverable amounts of the Group's Cash Generating Units (CGUs). This assessment is performed through the preparation of discounted cash flow value in use and fair value less cost of disposal models. The assessment of recoverable amounts requires significant judgment by management in determining the key assumptions underpinning the impairment tests. We have focused on the significant forward looking assumptions applied in the impairment tests including: • forecast operating cash flows, growth rates and terminal growth rates, including the sensitivity of these assumptions to changes arising from the potential impacts that clean energy transition and decarbonisation may have on the CGUs. These conditions increase the possibility of non-current assets being impaired; and • discount rate - these are complicated in nature and vary according to the conditions and environment of the specific CGU.	Our procedures included: • Considering the appropriateness of and assessing the integrity of the impairment modelling used, including the accuracy of the underlying calculations; • Assessing the consistency of management's assumptions to the Group's plan and strategy, past performance of the CGUs, and information on key industry metrics, including the potential impact that clean energy transition and decarbonisation have on these assumptions; • Considering the sensitivity of the models by varying key assumptions. We did this to identify those assumptions at higher risk of bias or inconsistency in order to focus our procedures; • Working with our valuation specialist, we independently developed a discount rate range using market data for comparable entities, adjusted by risk factors specific to the CGUs; and • Assessing the disclosures in the financial report using our understanding of the issues obtained from our testing and against the requirement of the accounting standards, including those made with respect to



We involved valuation specialist to supplement our senior audit team members in assessing this key audit matter.	judgements and estimates.
Acquisition accounting \$1.785b	
Refer to Note F2 to the Financial Report	
The key audit matter	How the matter was addressed in our audit
On 10 May 2022, the Group acquired 100% of Z Energy for consideration of AUD\$1.785b, resulting in the recognition of property, plant and equipment, customer contracts, brand and goodwill, amongst other balances. This transaction is considered to be a key audit matter due to the: • Size of the acquisition having a significant impact on the Group's financial statements; and • Consideration of the Group's judgements and process complexity relating to the determination of the fair values of assets and liabilities acquired in the transaction requiring significant audit effort. The Group engaged external valuation experts to assess the fair value of certain assets including intangible assets and property, plant and equipment. The key assumptions we focused on in the valuations of intangible assets included forecast earnings, discount rates and useful lives. We involved our valuation specialists to supplement our senior audit team members in assessing this key audit matter.	Our procedures included: • We evaluated the acquisition accounting by the Group against the requirements of the accounting standards; • We read the underlying transaction agreements to understand the terms of the acquisition and nature of the assets and liabilities acquired; • We assessed the accuracy of the calculation and measurement of consideration paid based on the underlying transaction agreements and the Group's bank statements; • We recalculated the accuracy of the fair value measurement of inventory, emission trading unit assets and emission trading obligations based on published market prices at the date of acquisition; • We assessed the accuracy of the fair value of property plant and equipment against actual fair values achieved through market transactions during the period where relevant; • Working with our valuation specialists, we assessed the Group's external expert reports and: • Considered the objectivity, competence and scope of the Group's external valuation experts. • Evaluated the valuation methodology used to determine the fair value of assets and liabilities acquired, considering accounting standard requirements and observed industry practices. • Compared a sample of the Group's external expert property plant and



	equipment valuation report to the underlying fixed asset schedules of Z Energy. - Assessed the key assumptions in the Group's external valuation expert report prepared in relation to the identification and valuation of customer contracts and other intangible assets including: - checking forecast earnings assumptions for consistency with the Group's valuation model used as part of the pre-acquisition due diligence process. - assessing key customer contracts by using our industry experience and knowledge of the terms and conditions of a sample of the underlying agreements and against the accounting standard requirements. - Working with our valuation specialist, we independently developed a discount rate range using market data for comparable entities, adjusted by risk factors specific to the entity; - We recalculated the goodwill balance recognised as a result of the transaction and compared it to the goodwill amount recorded by the Group; and - We assessed the adequacy of disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard.
Taxation of Singaporean entities \$110.2m	
Refer to Note E1 to the Financial Report	
The key audit matter	How the matter was addressed in our audit
The Group's determination as to whether the earnings from its Singaporean entities are subject to income tax in Australia is a key audit matter. This is due to the size of the impact on the Group's financial statements following final settlement of the matter with the ATO after the reporting date. Our work required senior audit team members and tax specialist involvement.	Working with our tax specialists, our procedures included: - Reading the signed deed of settlement and other correspondence between Ampol and the ATO; - Assessing the treatment of the settlement as an adjusting event after the reporting period based on the requirements of accounting standards;



- Assessing the accuracy of the calculation and measurement of tax payable and income tax benefit arising from the settlement; and
- Evaluating the disclosures in the financial statements, by comparing them to our understanding of the matter and the requirements of the accounting standard.

Other Information

Other Information is financial and non-financial information in Ampol Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it



exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Ampol Limited for the year ended 31 December 2022, complies with *Section 300A* of the *Corporations Act 2001*.

KPMG

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 68 to 91 of the Directors' report for the year ended 31 December 2022.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

Julian McPherson

Partner

Sydney

20 February 2023

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Financial Statements Contents

Primary statements

Consolidated Income Statement

Consolidated Statement of Comprehensive Income

Consolidated Balance Sheet

Consolidated Statement of Changes in Equity

Consolidated Cash Flow Statement

Notes to the Financial Statements

A Overview

A1 Reporting entity

A2 Basis of preparation

A3 Use of judgement and estimates

A4 Significant accounting policies

B Results for the year

B1 Revenue and other income

B2 Costs and expenses

B3 Segment reporting

B4 Earnings per share

B5 Dividends

C Operating assets and liabilities

C1 Trade and other receivables

C2 Inventories

C3 Intangibles

C4 Property, plant and equipment

C5 Right-of-use assets

C6 Payables

C7 Provisions

D Capital, funding and risk management

D1 Liquidity and interest-bearing liabilities

D2 Risk management

D3 Capital management

D4 Fair value of financial assets and liabilities

D5 Master netting or similar agreements

D6 Issued capital

D7 Reserves

E Taxation

E1 Income tax expense

E2 Deferred tax

E3 Tax consolidation

F Group structure

F1 Controlled entities

F2 Business combinations

F3 Discontinued operations

F4 Investments accounted for in Other Comprehensive Income

F5 Equity-accounted investees

F6 Joint operations

F7 Parent entity disclosures

F8 Non-controlling interest disclosures

G Other information

G1 Commitments

G2 Contingent liabilities

G3 Related party disclosures

G4 Key Management Personnel

G5 Notes to the cash flow statement

G6 Auditor remuneration

G7 Net tangible assets per share

G8 New standards and interpretations not yet adopted

G9 Events subsequent to the reporting date

Consolidated Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2022

Millions of dollars	Note	2022	2021 Restated [^]
Continuing operations			
Revenue	B1	38,491.5	20,882.7
Cost of goods sold ⁽ⁱ⁾		(35,679.6)	(18,758.9)
Gross profit		2,811.9	2,123.8
Other income	B1	5.3	53.3
Other expenses	B2	(15.7)	(50.4)
Net foreign exchange (loss)/gain		(27.0)	13.6
Selling and distribution expenses		(1,477.7)	(1,131.7)
General and administration expenses		(267.8)	(180.8)
Profit from operating activities		1,029.0	827.8
Finance costs		(183.9)	(105.1)
Finance income		76.9	0.4
Net finance costs	B2	(107.0)	(104.7)
Share of net profit of entities accounted for using the equity method	F5	14.5	11.3
Profit before income tax expense		936.5	734.4
Income tax (expense)	E1	(157.9)	(175.8)
Net profit from continuing operations		778.6	558.6
Discontinued operations			
Net profit from discontinued operations	F3	68.4	38.9
Total net profit after tax		847.0	597.5
Profit attributable to:			
Equity holders of the parent entity		795.9	560.0
Non-controlling interest	F8	51.1	37.5
Net profit		847.0	597.5
Earnings per share from continuing operations			
Statutory – cents per share – basic	B4	305.3	217.9
Statutory – cents per share – diluted	B4	303.8	217.3
Earnings per share from continuing operations and discontinued operations			
Statutory – cents per share – basic	B4	334.0	234.2
Statutory – cents per share – diluted	B4	332.3	233.5

[^] Certain amounts have been re-presented to separately show those operations classified as discontinued in the current year as detailed in note F3 *Discontinued operations*.

- (i) Inventories held at 31 December 2022 were written down to their net realisable value. The amount of the write down was \$39.5 million and is non-cash in nature. It arises as a consequence of significant market volatility with market prices rising in 2022. The adjustment is recognised within Cost of Goods Sold expense in the income statement.

The Consolidated Income Statement is to be read in conjunction with the notes to the Financial Statements.

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2022

Millions of dollars	Note	2022	2021
Profit for the period		847.0	597.5
Other comprehensive income			
Items that will not be reclassified to income statement:			
Actuarial (loss) / gain on defined benefit plans		(1.3)	3.5
Tax on items that will not be reclassified to income statement	E2.2	–	(1.1)
Total items that will not be reclassified to income statement		(1.3)	2.4
Items that may be reclassified subsequently to income statement:			
Foreign operations – foreign currency translation differences		87.3	40.6
Gain on revaluation of investments	F4	15.1	–
Reserves reclassified to profit or loss on disposal of subsidiary	F3	(8.8)	–
Effective portion of changes in fair value of cash flow hedges		121.2	106.7
Net change in fair value of cash flow hedges reclassified to income statement		(86.8)	(88.8)
Tax on items that may be reclassified subsequently to income statement		(21.0)	(5.4)
Total items that may be reclassified subsequently to income statement		107.0	53.1
Other comprehensive income for the period, net of income tax		105.7	55.5
Total comprehensive income for the period		952.7	653.0
Attributable to:			
Equity holders of the parent entity		901.6	615.5
Non-controlling interest	F8	51.1	37.5
Total comprehensive income for the period		952.7	653.0
Total comprehensive income for the period arising from:			
Continuing operations		960.9	613.0
Discontinued operations		(8.2)	40.0

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the notes to the Financial Statements.

Consolidated Balance Sheet

AS AT 31 DECEMBER 2022

Millions of dollars	Note	2022	2021
Current assets			
Cash and cash equivalents		126.0	566.3
Trade and other receivables	C1	2,601.1	1,576.2
Inventories	C2	3,593.9	2,064.9
Total current assets		6,321.0	4,207.4
Non-current assets			
Trade and other receivables	C1	118.1	41.5
Investments accounted for using the equity method	F5	241.1	184.0
Other investments	F4	64.3	–
Intangibles	C3	1,599.2	506.3
Property, plant and equipment	C4	3,620.6	2,732.0
Right-of-use assets	C5	997.1	832.7
Deferred tax assets	E2.1	366.1	344.2
Employee benefits		3.7	5.6
Total non-current assets		7,010.2	4,646.3
Total assets		13,331.2	8,853.7
Current liabilities			
Payables	C6	4,438.2	2,370.2
Interest-bearing liabilities	D1.1	339.9	–
Lease liabilities	D1.2	163.8	159.6
Current tax liabilities		266.0	129.6
Employee benefits		168.5	129.8
Provisions	C7	78.0	104.9
Total current liabilities		5,454.4	2,894.1
Non-current liabilities			
Payables	C6	52.2	12.8
Interest-bearing liabilities	D1.1	2,145.0	1,290.0
Lease liabilities	D1.2	965.7	814.0
Deferred tax liabilities	E2.1	88.2	21.0
Employee benefits		5.6	5.1
Provisions	C7	570.0	469.9
Total non-current liabilities		3,826.7	2,612.8
Total liabilities		9,281.1	5,506.9
Net assets		4,050.1	3,346.8
Equity			
Issued capital	D6	479.7	479.7
Treasury stock		(2.8)	(1.5)
Reserves	D7	209.1	65.5
Retained earnings		2,946.0	2,531.0
Total parent entity interest		3,632.0	3,074.7
Non-controlling interest	F8	418.1	272.1
Total equity		4,050.1	3,346.8

The Consolidated Balance Sheet is to be read in conjunction with the notes to the Financial Statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2022

Millions of dollars	Issued capital	Treasury Stock	Reserves ⁽ⁱ⁾	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 January 2022	479.7	(1.5)	65.5	2,531.0	3,074.7	272.1	3,346.8
Profit for the year	–	–	–	795.9	795.9	51.1	847.0
Total other comprehensive income	–	–	105.4	0.3	105.7	–	105.7
Total comprehensive income for the year	–	–	105.4	796.2	901.6	51.1	952.7
Ampol Property Trust 2 – Divestment of Minority Interest, net of tax	–	–	–	31.1	31.1	21.0	52.1
Ampol Property Trust 2 – Acquisition	–	–	–	–	–	4.6	4.6
Ampol Property Trust and Ampol Property Trust 2 – distribution	–	–	–	–	–	(41.1)	(41.1)
Z Limited Partnership – Divestment of Minority Interest, net of tax	–	–	–	–	–	119.5	119.5
Acquisition of Minority Interest net of tax in Flick Energy	–	–	–	3.5	3.5	(7.9)	(4.4)
Acquisition of shares	–	–	–	–	–	1.6	1.6
Transfer to retained earnings ^(iv)	–	–	32.2	(32.2)	–	–	–
Own shares acquired, net of tax	–	(5.7)	–	–	(5.7)	–	(5.7)
Shares vested to employees, net of tax	–	4.4	(4.4)	–	–	–	–
Expense on equity settled transactions, net of tax	–	–	10.4	–	10.4	–	10.4
Dividends to shareholders	–	–	–	(383.6)	(383.6)	(2.8)	(386.4)
Balance at 31 December 2022	479.7	(2.8)	209.1	2,946.0	3,632.0	418.1	4,050.1
Balance at 1 January 2021	502.6	(1.6)	5.6	2,444.5	2,951.1	273.6	3,224.7
Change in accounting policy ⁽ⁱⁱ⁾	–	–	–	(19.7)	(19.7)	–	(19.7)
Restated balance at 1 January 2021	502.6	(1.6)	5.6	2,424.8	2,931.4	273.6	3,205.0
Profit for the year	–	–	–	560.0	560.0	37.5	597.5
Total other comprehensive income	–	–	53.1	2.4	55.5	–	55.5
Total comprehensive income for the year	–	–	53.1	562.4	615.5	37.5	653.0
Acquisition of minority interest, net of tax	–	–	3.5	–	3.5	(3.5)	–
Ampol Property Trust – Divestment of Minority Interest, net of tax	–	–	–	–	–	6.0	6.0
Ampol Property Trust – distribution	–	–	–	–	–	(40.3)	(40.3)
Own shares acquired, net of tax	–	(2.4)	–	–	(2.4)	–	(2.4)
Shares vested to employees, net of tax	–	2.5	(1.8)	–	0.7	–	0.7
Expense on equity settled transactions, net of tax	–	–	5.1	–	5.1	–	5.1
Shares bought back ⁽ⁱⁱⁱ⁾	(22.9)	–	–	(277.5)	(300.4)	–	(300.4)
Dividends to shareholders	–	–	–	(178.7)	(178.7)	(1.2)	(179.9)
Balance at 31 December 2021	479.7	(1.5)	65.5	2,531.0	3,074.7	272.1	3,346.8

(i) Refer to note D7 for further information.

(ii) Adjustment on application of the IFRS Interpretation Committee decision on cloud computing arrangements, refer to note A4..

(iii) 11,404,848 shares were bought back during the year ended 31 December 2021.

(iv) Historic unvested amounts and differences between grant date fair value and the value of shares issued have been transferred from share-based payments reserves to retained earnings.

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the Financial Statements.

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 DECEMBER 2022

Millions of dollars	Note	2022	2021
Cash flows from operating activities			
Receipts from customers		47,673.7	28,642.9
Payments to suppliers, employees and governments		(46,318.5)	(27,865.4)
Shares acquired for vesting employee benefits		(5.7)	(2.4)
Dividends and distributions received		2.8	2.0
Interest received		7.4	0.4
Finance costs paid		(137.3)	(49.8)
Lease interest	D1.2	(68.9)	(54.9)
Income taxes paid		(244.3)	(38.2)
Net operating cash inflows	G5.2	909.2	634.6
Cash flows from investing activities			
Transaction costs	F2,3	(36.3)	–
Proceeds from sale of Gull NZ	F3	470.9	–
Cash divested on disposal of Gull NZ		(4.5)	–
Major cyclical maintenance		(26.5)	(34.0)
Acquisition of Z Energy Limited	F2	(1,785.1)	–
Cash acquired on acquisition of Z Energy Limited	F2	111.1	–
Purchase of investment in associate	F5.1	(10.3)	(1.5)
Payment for investments		(1.8)	–
Purchases of property, plant and equipment		(369.9)	(272.9)
Purchases of intangibles ⁽ⁱ⁾		(10.5)	(17.3)
Proceeds from sale of property, plant and equipment, net of selling costs		30.9	6.5
Net investing cash (outflows)		(1,632.0)	(319.2)
Cash flows from financing activities			
Proceeds from borrowings		10,737.5	8,429.8
Repayments of borrowings		(10,105.9)	(7,929.8)
Repayment of lease principal	D1.2	(112.2)	(106.3)
Payments for shares bought back		–	(300.4)
Proceeds from non-controlling interest purchase of units in Ampol Property Trust	F8	–	6.0
Proceeds from sale of non-controlling interest in Ampol Property Trust 2	F8	55.1	–
Proceeds from sale of non-controlling interest in Z Limited Partnership (property)	F8	119.5	–
Distributions/dividends paid to non-controlling interest	F8	(43.9)	(41.5)
Dividends paid	B5	(383.6)	(178.7)
Net financing cash inflows/ (outflows)		266.5	(120.9)
Net (decrease)/increase in cash and cash equivalents		(456.3)	194.5
Effect of exchange rate changes on cash and cash equivalents		(6.5)	4.2
(Decrease)/increase in cash and cash equivalents		(462.8)	198.7
Cash and cash equivalents at the beginning of the period		566.3	367.6
Cash and cash equivalents at the end of the period	G5.1	103.5	566.3

(i) Does not include the purchases of New Zealand Emissions Trading Units during the period, which are included in payments to suppliers, employees and government in operating cash.

The Consolidated Cash Flow Statement is to be read in conjunction with the notes to the Financial Statements.

Notes to the Financial Statements

A Overview

FOR THE YEAR ENDED 31 DECEMBER 2022

A1 Reporting entity

Ampol Limited ("Ampol" or the "Company") is a for-profit company, incorporated and domiciled in Australia. The Consolidated Financial Statements for the year ended 31 December 2022 comprise the Company and its controlled entities (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities. The Group is primarily involved in the purchase, refining, distribution and marketing of petroleum products and the operation of convenience stores.

A2 Basis of preparation

The financial report was approved by the Ampol Board on 20 February 2023.

The financial report has been prepared as a general-purpose financial report and complies with the requirements of the *Corporations Act 2001* (Cth) (Corporations Act) and Australian Accounting Standards (AASBs). The financial report also complies with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The financial report is prepared on the historical cost basis, except for identified net assets acquired through business combinations and derivative financial instruments, which are measured at fair value, and the defined benefit liability, which is recognised as the net total of the plan assets, plus unrecognised past service costs less the present value of the defined benefit obligation.

The financial report is presented in Australian dollars, which is the Group's functional currency.

The Company is of a kind referred to in *ASIC Corporations (Amendment) Instrument 2022/519* dated 28 June 2022. In accordance with that Instrument, amounts in the financial report and Directors' Report have been rounded to the nearest hundred thousand dollars, unless otherwise stated.

The Group has adopted all the mandatory amended Accounting Standards issued that are relevant to its operations and effective for the current reporting period. A number of new standards, amendments to standards and interpretations effective for annual periods beginning on or after 1 January 2023 have not been applied in preparing this financial report. Refer to note G8.

A3 Use of judgement and estimates

The preparation of a Consolidated Financial Report in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the Group.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

Judgements made by management in the application of AASBs that have a significant effect on the Consolidated Financial Report and estimates with a significant risk of material adjustment in future financial years are found in the following notes:

- Information about the assumptions and the risk factors relating to impairment is provided in notes C1 (Trade and other receivables), C3 (Intangibles) and C4 (Property, plant and equipment).
- Note C5 (Right-of-use assets) includes disclosure of the key assumptions and sources of estimates related to lease liabilities.
- Note C7 and D1.2 provides key sources of estimation, uncertainty and assumptions used in regard to estimation of provisions and lease liabilities.
- Note D2 provides an explanation of the foreign exchange, interest rate, credit risk and commodity price exposures of the Group and the risk in relation to foreign exchange, interest rate, credit risk and commodity price movements.
- Note E1 provides information around the extent to which earnings from the Group's Singaporean entities may be subject to income tax in Australia.

A4 Significant accounting policies

Cloud computing arrangements

In April 2021, the International Financial Reporting Standards Interpretations Committee (IFRIC) issued a final agenda decision, "Configuration or Customisation Costs in a Cloud Computing Arrangement". The decision clarified whether configuration or customisation expenditure relating to cloud computing arrangements could be recognised as an intangible asset, and if not, over what time period the expenditure should be expensed.

In 2021, the Company adopted the revised accounting policy.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Costs related to access, configuration, and customisation of cloud computing arrangements are recognised as an operating expense.

Notes to the Financial Statements

A Overview continued

FOR THE YEAR ENDED 31 DECEMBER 2022

A4 Significant accounting policies continued

Impact on adoption

In relation to the adoption of the change in treatment, the following adjustments were made to the comparative period in 2021.

Balance Sheet

The capitalised value of costs incurred to implement, customise or configure a cloud provider's application software included in the Group's balance sheet was \$28.2 million at 31 December 2021. The Group recognised the write off of the cumulative capitalised costs as an opening retained earnings adjustment resulting in a decrease in net assets and a decrease in retained earnings as at 1 January 2021 of \$19.7 million after tax (\$28.2 million before tax).

Income Statement

For the 31 December 2021 year the change in policy resulted in an additional \$3.8 million of costs being expensed and a reduction in amortisation expense of \$3.9 million. In aggregate there was a net decrease in expenses of \$0.1 million.

Cashflow

Adoption of the new treatment has resulted in a change in classification of expenditure with additions of \$3.9 million that would previously have been classified within 'investing activities' as 'payments for intangibles' reclassified to 'cash payments in the course of operations' within 'operating activities' for the year ended 31 December 2021.

Emissions trading scheme

The New Zealand Emissions Trading Scheme (NZ ETS) was introduced to assist New Zealand in meeting its international obligations under the Paris agreement and its 2050 target which has been set by the New Zealand Climate Change Response Act 2002. Following the acquisition of Z Energy Limited on 10 May 2022, the Group is required to deliver emission units ("units") to settle the obligation which arises from Z Energy Limited's import and sale of products that emit pollutants in New Zealand.

On acquisition

On acquisition of Z Energy Limited, units acquired have been restated to their fair value as part of the provisional purchase price allocation. See note F2.

Emission units

The Group purchases carbon emission units to meet its surrender obligation under the New Zealand Emissions Trading Scheme. The units are measured at weighted average cost and are classified as intangible assets.

Emission obligations

An emission obligation is recognised at the time that the Group incurs the obligation. Where the Group holds sufficient emissions units to meet the obligation it is recognised at the weighted average cost of the emissions units on hand. Where there is a shortfall of units on hand, the excess obligation units are recognised at the market price.

Business Combinations

Acquisitions

The Group accounts for acquisitions of businesses using the acquisition method. The consideration transferred and the net assets acquired as part of the business combination are measured at fair value. Goodwill is measured as the difference between the fair value of the consideration paid, and the identifiable assets acquired, and liabilities assumed. Transaction costs relating to acquisitions are expensed as incurred, with the exception of costs relating to the issue of debt or equity securities.

The Group has 12 months from the date of acquisition to finalise the acquisition accounting relating to a business combination. If the initial accounting for a business combination is incomplete at the end of the reporting period in which the combination occurs the Group reports provisional amounts. To the extent that new information becomes available in subsequent reporting periods (within 12 months of the acquisition date), about facts and circumstances which existed as at the acquisition date, those provisional amounts are adjusted or additional assets and liabilities are recognised to reflect this new information. Goodwill acquired as part of a business combination is tested for impairment annually.

Divestments

The Group consolidates the results of subsidiaries until the date that control is lost. At the time that control is lost, the Group records a gain or loss on divestment in the income statement, being the fair value of consideration received less the net assets of the divested business. Transaction costs relating to divestments are expensed as incurred.

Notes to the Financial Statements

B Results for the year

FOR THE YEAR ENDED 31 DECEMBER 2022

This section highlights the performance of the Group for the year, including revenue and other income, costs and expenses, results by operating segment, earnings per share and dividends.

B1 Revenue and other income

Sale of goods

Revenue from the sale of goods in the ordinary course of activities is measured at the fair value of consideration received or receivable, net of product duties and taxes, rebates, discounts and allowances.

Gross sales revenue excludes amounts collected on behalf of third parties such as goods and services tax (GST). Sales revenue is recognised when customers gain control, which is the date products are delivered to the customer.

Contracts entered into by the Group for the sale of petroleum are typically priced by reference to quoted prices. In line with market practice, some contracts are based on average prices over a period that is partially or entirely after delivery. Revenue relating to such contracts is recognised initially based on the estimated forward price at the time of delivery and subsequently adjusted as prices are finalised. Whilst these post-delivery adjustments are changed in the value of receivables, the distinction between revenue recognised at the time of delivery and revenue recognised as a result of post-delivery changes in quoted commodity prices relating to the same transaction is not considered to be significant. All revenue from these contracts, both that recognised at the time of delivery and that from post-delivery price adjustments, is disclosed as revenue from sale of goods.

For contracts with variable consideration (i.e. changes in market price, quality and quantity variances), revenue is recognised to the extent that it is highly probable that a reversal of previously recognised revenue will not occur.

Contract assets

On 5 July 2018, Ampol Limited entered into a new supply agreement for 15 years with a one-off upfront payment of \$50.0 million. This amount has been deferred and recognised against sale of goods over the life of the agreement. The closing balance as at 31 December 2022 in relation to this contract asset is \$33.3 million (2021: \$38.6 million).

Other revenue

Rental income from leased sites is recognised in the Consolidated Income Statement on a straight-line basis over the term of the lease. Transaction and merchant fees are generated from AmpolCard and credit card transactions processed across the network. Dividend income is recognised at the date the right to receive payment is established.

Other income

Government grants

The introduction of the Temporary Refinery Production Package (TRPP) for Lytton refinery and the Australian Renewable Energy Agency (ARENA) grant relating to the rollout of EV charging stations led to the receipt of government grants.

The Group recognises grants only when there is reasonable assurance that the Group will comply with any conditions attached to the grant and that the grant will be received.

Government grant related to income

The TRPP grant was a one-off grant received in 2021 to assist refiners in the peak of COVID-19 and its impact on production and operating profits. The receipt of this grant has been recognised as income over the period in which the related costs or revenue shortfall, for which they are intended to compensate, are recognised. The Group presents these government grants separately in 'other income'. A consistent approach will be taken should the Group receive any grants under the Fuel Security Services Payment, which would be provided to the Group should Australian dollar refining margins fall below the Government's external marker margin. No grants have been received in 2022.

Government grant related to assets

The Group may present government grants related to assets in the statement of financial position as either deferred income and amortised to the Consolidated Income Statement over the asset's useful life or as a reduction to the capital cost of the asset, reducing depreciation recorded over the asset's useful life. The Group has elected to treat the ARENA grant of \$7 million, which is a grant to support the rollout of EV charging stations to Ampol forecourts, as a reduction to the capital cost of the assets.

Net gain on disposal of property, plant and equipment and sale of investments

The gain on disposal of property, plant and equipment and sale of investment in joint operations is brought to account at the time that:

- the costs incurred, or to be incurred, in respect of the sale can be measured reliably; and
- the control of ownership of the property, plant and equipment and sale of investment has been transferred to the buyer.

Notes to the Financial Statements

B Results for the year continued

FOR THE YEAR ENDED 31 DECEMBER 2022

B1 Revenue and other income continued

Millions of dollars	2022	2021 Restated [^]
Revenue		
Sale of goods	38,245.4	20,692.2
Other revenue		
Rental income	25.4	20.0
Transaction and merchant fees	109.9	102.9
Other	110.8	67.6
Total other revenue	246.1	190.5
Total revenue	38,491.5	20,882.7
Other income		
Government assistance – wage support ⁽ⁱ⁾	–	0.8
Government assistance – refinery ⁽ⁱⁱ⁾	–	40.0
Net gain on sale of investments	–	12.5
Net gain on sale of assets	5.3	–
Total other income	5.3	53.3

[^] Certain amounts have been re-presented to remove those operations classified as discontinued in the current year as detailed in note F3 *Discontinued operations*.

- (i) Relates to COVID-19 government wage support of \$nil (2021: \$0.8 million) received from Australia and Singapore government programs.
- (ii) A total of \$nil income was recognised under the Temporary Refinery Production Program in 2022 (2021: \$40.0 million).

B1.1 Revenue from products and services

Millions of dollars	2022	2021 Restated [^]
Petrol	10,016.1	5,904.5
Diesel	21,288.3	10,725.8
Jet	3,256.9	1,080.7
Lubricants	316.5	242.8
Specialty and other products	374.2	285.7
Crude	1,808.4	1,309.2
Non-fuel income	1,185.0	1,143.5
Other revenue	246.1	190.5
Total product and service revenue	38,491.5	20,882.7

[^] Certain amounts have been re-presented to remove those operations classified as discontinued in the current year as detailed in note F3 *Discontinued operations*.

Notes to the Financial Statements

B Results for the year continued

FOR THE YEAR ENDED 31 DECEMBER 2022

B2 Costs and expenses

Finance costs are recognised as incurred unless they relate to qualifying assets. Qualifying assets are assets which take more than 12 months to get ready for their intended use or sale. In these circumstances, finance costs are capitalised to the cost of the relevant asset. Where borrowings are not specific to an asset, finance costs are capitalised using an average rate based on the general borrowings of the Group.

Millions of dollars	Note	2022	2021 Restated [^]
Finance costs			
Interest expense		133.4	52.0
Finance charges on leases		67.4	51.6
Unwinding of discount on provisions		(16.9)	1.6
Less: capitalised finance costs		–	(0.1)
Finance costs		183.9	105.1
Finance income		(5.1)	(0.4)
Mark-to-market derivatives		(71.8)	–
Net finance costs		107.0	104.7
Depreciation and amortisation			
Depreciation of:			
Buildings	C4	27.4	14.7
Leasehold property	C4	24.1	146.2
Plant and equipment	C4	229.1	68.7
Right-of-use assets	C5	119.5	119.3
		400.1	348.9
Amortisation of:			
Intangibles	C3	38.3	15.3
Total depreciation and amortisation		438.4	364.2
Personnel expenses		445.5	572.7
Other expenses			
Net loss on disposal of property, plant and equipment		–	15.2
Net loss on recognition of asset restoration obligation provision		26.7	–
Impairment of non-current assets	C3, C4, C5	10.8	44.2
Impairment reversal of non-current assets	C4	(21.8)	(9.0)
Total other expenses		15.7	50.4

[^] Certain amounts have been re-presented to remove those operations classified as discontinued in the current year as detailed in note F3 *Discontinued operations*.

Notes to the Financial Statements

B Results for the year continued

FOR THE YEAR ENDED 31 DECEMBER 2022

B3 Segment reporting

B3.1 Segment disclosures

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Inter-entity sales are recognised based on an internally set transfer price. Sales between segments are based on arm's length principles appropriate to reflect prevailing market pricing structures at that time. Where possible, relevant import parity pricing is used to determine arm's length pricing between the two segments. Revenue from external parties reported to the chief operating decision maker is measured in a manner consistent with that in the Consolidated Income Statement.

Income taxes and net finance costs are dealt with at a Group level and not within the reportable segments.

The performance of each reportable segment is measured based on segment Replacement Cost of Sales operating profit (RCOP) before interest and income tax excluding significant items. This measurement base excludes the impact of the rise or fall in oil or product prices (key external factors). Segment Replacement Cost of Sales operating profit before interest and income tax (RCOP EBIT) excluding significant items is measured as management believes that such information is most useful in evaluating the performance of the differing internal business units relative to each other, and other like business units in the industry. Segment RCOP EBIT excluding significant items, is also used to assess the performance of each business unit against internal performance measures.

Cost of goods sold measured on a replacement cost basis

Cost of goods sold measured on a replacement cost basis excludes the effect of inventory gains and losses, including the impact of exchange rate movements. Inventory gains or losses arise due to movements in the landed price of crude oil and product prices and represent the difference between the actual historic cost of sales and the current replacement value of that inventory.

The net inventory gain or loss is also adjusted to reflect the impact of contractual revenue lags.

Types of products and services

The following summary describes the operations in each of the Group's reportable segments:

Fuels and Infrastructure

The Fuels and Infrastructure segment includes revenues and costs associated with the integrated wholesale fuels and lubricants supply for the Group, including the Group's international businesses. This includes Lytton refining, Bulk Fuels sales, Trading and Shipping, Infrastructure, Future Energy and Seaoil businesses.

Convenience Retail

The Convenience Retail segment includes revenues and costs associated with fuels and shop offerings at Ampol's Australian network of stores.

Z Energy

The Z Energy segment includes revenue and costs associated with fuel offerings in the New Zealand market.

Corporate

Corporate represents the corporate head office and includes transactions relating to Group finance, taxation, treasury, HR, IT, legal and company secretarial functions.

Transfer price between segments

The Group operates as a vertically integrated supply chain including trading and shipping, infrastructure, refining and marketing of fuel products in Australia and internationally to customers, including retail service stations. Segment results are based on commercial pricing between segments, most notably the sale of product between the Fuels and Infrastructure and Convenience Retail segments, is determined by reference to relevant import parity prices for refining output and other commercial arrangements.

Notes to the Financial Statements

B Results for the year continued

FOR THE YEAR ENDED 31 DECEMBER 2022

B3 Segment reporting continued

B3.2 Information about reportable segments

Millions of dollars 31 December 2022	Fuels and Infrastructure	Convenience Retail	Z Energy	Corporate	Total continued operations	Discontinued operations ⁽ⁱ⁾	Total
Segment revenue							
Total revenue	32,624.3	6,695.8	4,006.9	0.8	43,327.8	616.7	43,944.5
Inter-segment revenue	(4,836.3)	–	–	–	(4,836.3)	–	(4,836.3)
Segment external revenue	27,788.0	6,695.8	4,006.9	0.8	38,491.5	616.7	39,108.2
Segment results							
RCOP ⁽ⁱ⁾ EBITDA excluding significant items	1,010.7	522.0	214.7	(41.9)	1,705.5	58.5	1,764.0
Depreciation and amortisation	(157.7)	(174.8)	(90.1)	(13.9)	(436.5)	(11.0)	(447.5)
RCOP⁽ⁱ⁾ EBIT excluding significant items	853.0	347.2	124.6	(55.8)	1,269.0	47.5	1,316.5
Significant items (before tax)	(35.7)	(31.4)	–	(36.9)	(104.0)	38.6	(65.4)
RCOP⁽ⁱ⁾ before interest and income tax	817.3	315.8	124.6	(92.7)	1,165.0	86.1	1,251.1
Inventory gain/(loss) (incl. externalities realised FX) (before tax)	51.1	–	(173.7)	–	(122.6)	(1.1)	(123.7)
Statutory profit before interest and income tax	868.4	315.8	(49.1)	(92.7)	1,042.4	85.0	1,127.4
Significant item: Unrealised electricity derivative mark to market gain					71.8	–	71.8
Interest income					5.1	–	5.1
Interest expense					(182.8)	(5.0)	(187.8)
Statutory profit before income tax					936.5	80.0	1,016.5
RCOP ⁽ⁱ⁾ income tax (expense)					(308.0)	(11.9)	(319.9)
Significant item: Release of income tax provision relating to Singapore entity profits					110.2	–	110.2
Significant item: Unrealised electricity derivative mark to market gain tax expense					(20.1)	–	(20.1)
Significant items tax benefit					26.6	–	26.6
Inventory loss tax benefit					33.4	0.3	33.7
Statutory profit income tax expense					(157.9)	(11.6)	(169.5)
Statutory profit after tax					778.6	68.4	847.0
Other items							
Share of profit of associates and joint ventures	9.3	–	5.2	–	14.5	–	14.5
Capital expenditure ⁽ⁱⁱ⁾	168.2	165.5	60.6	7.3	401.6	5.3	406.9

- (i) RCOP (on a pre- and post-tax basis) is a non-International Financial Reporting Standards (IFRS) measure and is unaudited. It is derived from the statutory profit adjusted for inventory (losses)/gains as commonly used within the global downstream oil industry. RCOP excludes the unintended impact of the fall or rise in oil and product prices (key external factors). It is calculated by restating the cost of sales using the replacement cost of goods sold rather than the statutory, and the effect of contract-based revenue lags.
- (ii) Capital expenditure includes the purchase of Property, Plant and Equipment and purchase of intangible software (excludes intangible rights and licences).
- (iii) Refer to note F3 for further Information relating to discontinued operations.

Notes to the Financial Statements

B Results for the year continued

FOR THE YEAR ENDED 31 DECEMBER 2022

B3 Segment reporting continued

B3.2 Information about reportable segments

Millions of dollars 31 December 2022	Total continued operations	Discontinued operations ⁽ⁱ⁾	Total
Statutory profit to RCOP ⁽ⁱ⁾ net profit after tax reconciliation			
Statutory profit after tax	778.6	68.4	847.0
Inventory (gain)/loss (incl. externalities realised FX) (after tax)	89.3	0.8	90.1
RCOP ⁽ⁱ⁾ net profit after tax	867.9	69.2	937.1
Significant items excluded from profit or loss (after tax)	77.4	(38.6)	38.8
Unrealised electricity derivative mark to market gain/(loss) (after tax)	(51.7)	–	(51.7)
Release of income tax provision relating to Singapore entity profits	(110.2)	–	(110.2)
Underlying RCOP ⁽ⁱ⁾ net profit after tax	783.4	30.6	814.0
Minority interest	(51.1)	–	(51.1)
Underlying RCOP ⁽ⁱ⁾ net profit after tax – attributable to parent	732.3	30.6	762.9

- (i) RCOP (on a pre- and post-tax basis) is a non-International Financial Reporting Standards (IFRS) measure and is unaudited. It is derived from the statutory profit adjusted for inventory (losses)/gains as commonly used within the global downstream oil industry. RCOP excludes the unintended impact of the fall or rise in oil and product prices (key external factors). It is calculated by restating the cost of sales using the replacement cost of goods sold rather than the statutory, and the effect of contract-based revenue lags.

Notes to the Financial Statements

B Results for the year continued

FOR THE YEAR ENDED 31 DECEMBER 2022

B3 Segment reporting continued

B3.2 Information about reportable segments continued

Millions of dollars 31 December 2021	Fuels and Infrastructure	Convenience Retail	Z Energy	Corporate	Total continued operations	Discontinued operations ⁽ⁱ⁾	Total
Segment revenue							
Total revenue	19,073.9	4,648.4	–	–	23,722.3	747.2	24,469.5
Inter-segment revenue	(2,839.6)	–	–	–	(2,839.6)	–	(2,839.6)
Segment external revenue	16,234.3	4,648.4	–	–	20,882.7	747.2	21,629.9
Segment results							
RCOP ⁽ⁱ⁾ EBITDA excluding significant items	469.7	430.0	–	(26.6)	873.1	85.5	958.6
Depreciation and amortisation	(163.7)	(176.3)	–	(13.5)	(353.5)	(18.6)	(372.1)
RCOP⁽ⁱ⁾ EBIT excluding significant items	306.0	253.7	–	(40.1)	519.6	66.9	586.5
Significant items (before tax)	42.7	(82.3)	–	3.7	(35.9)	1.0	(34.9)
RCOP⁽ⁱ⁾ before interest and income tax⁽ⁱⁱ⁾	348.7	171.4	–	(36.4)	483.7	67.9	551.6
Inventory gain/(loss) (incl. externalities realised FX) (before tax) ⁽ⁱⁱⁱ⁾	355.4	–	–	–	355.4	2.8	358.2
Statutory profit before interest and income tax	704.1	171.4	–	(36.4)	839.1	70.7	909.8
Interest income					0.4	–	0.4
Interest expense					(105.1)	(8.0)	(113.1)
Statutory profit before income tax					734.4	62.7	797.1
RCOP ⁽ⁱ⁾ income tax (expense)					(79.6)	(23.0)	(102.6)
Significant items tax benefit					10.5	–	10.5
Inventory tax expense					(106.7)	(0.8)	(107.5)
Statutory profit income tax expense					(175.8)	(23.8)	(199.6)
Statutory profit after tax					558.6	38.9	597.5
Other items							
Share of profit of associates and joint ventures	11.3	–	–	–	11.3	–	11.3
Capital expenditure ^(iv)	102.0	174.4	–	6.5	282.9	41.3	324.2

- (i) RCOP (on a pre- and post-tax basis) is a non-International Financial Reporting Standards (IFRS) measure and is unaudited. It is derived from the statutory profit adjusted for inventory (losses)/gains as commonly used within the global downstream oil industry. RCOP excludes the unintended impact of the fall or rise in oil and product prices (key external factors). It is calculated by restating the cost of sales using the replacement cost of goods sold rather than the statutory, and the effect of contract-based revenue lags.
- (ii) The prior period has been restated to exclude realised foreign exchange gain and losses due to a revision in the RCOP methodology used by the Group.
- (iii) Refer to note F3 for further information relating to discontinued operations.
- (iv) Capital expenditure includes the purchase of property, plant and equipment and purchase of intangible software (excludes intangible rights and licences).

Notes to the Financial Statements

B Results for the year continued

FOR THE YEAR ENDED 31 DECEMBER 2022

B3 Segment reporting continued

B3.2 Information about reportable segments continued

Millions of dollars 31 December 2021	Total continued operations	Discontinued operations ⁽ⁱ⁾	Total
Statutory profit to RCOP ⁽ⁱ⁾ net profit after tax reconciliation			
Statutory profit after tax	558.6	38.9	597.5
Inventory (gain)/loss (incl. externalities realised FX) (after tax)	(248.7)	(2.0)	(250.7)
RCOP ⁽ⁱ⁾ net profit after tax	309.9	36.9	346.8
Significant items excluded from profit or loss (after tax)	25.4	(1.0)	24.4
Underlying RCOP ⁽ⁱ⁾ net profit after tax	335.3	35.9	371.2
Minority interest	(37.5)	–	(37.5)
Underlying RCOP net profit after tax – attributable to parent	297.8	35.9	333.7

- (i) RCOP (on a pre- and post-tax basis) is a non-International Financial Reporting Standards (IFRS) measure and is unaudited. It is derived from the statutory profit adjusted for inventory (losses)/gains as commonly used within the global downstream oil industry. RCOP excludes the unintended impact of the fall or rise in oil and product prices (key external factors). It is calculated by restating the cost of sales using the replacement cost of goods sold rather than the statutory, and the effect of contract-based revenue lags.

Notes to the Financial Statements

B Results for the year continued

FOR THE YEAR ENDED 31 DECEMBER 2022

B3 Segment reporting continued

B3.3 Significant items excluded from profit or loss reported to the chief operating decision maker:

Millions of dollars	2022	2021
Ampol rebranding expense	(49.9)	(51.3)
Release of EG rebrand provision	19.0	–
Legal settlements and Other	(43.5)	0.8
Site remediation	(26.3)	41.9
(Impairment)/impairment reversal of non-current assets	11.0	(31.0)
Z Energy acquisition transaction costs	(29.1)	(6.8)
Sale of Gull New Zealand	38.6	(1.0)
Divestment gains	14.8	12.5
Significant items loss excluded from EBIT	(65.4)	(34.9)
Tax benefits on significant items	26.6	10.5
Unrealised gains/(losses) from mark-to-market of Electricity Derivatives (after tax)	51.7	–
Release of income tax provision relating to Singapore entity profits	110.2	–
Significant items gains/(losses) excluded from profit or loss (after tax)	123.1	(24.4)

Ampol rebranding expense

The Group has recognised an expense of \$49.9 million (2021: \$51.3 million) relating to the rebranding program to remove Caltex signage and install Ampol branding at the Group's sites. Current period costs include accelerated depreciation \$1.9 million (2021: \$8.9 million) and other operating expenses \$48.0 million (2021: \$42.4 million). This expense is included within general and administration expenses \$48.0 million (2021: \$42.4 million) and selling and distribution for \$1.9 million (2021: \$8.9 million) in the Consolidated Income Statement.

Release of EG rebrand provision

In June 2020 a \$46.0 million provision was recognised in relation to the rebrand of EG sites. The rebranding was completed during 2022 and the excess rebranding provision of \$19.0 million was released to the income statement (2021: \$nil).

Legal settlements and Other

The Group has recognised an expense of \$43.5 million, part of which arises from settlement relating to a Deed of release entered into in April 2022 with EG Group Limited, the nature of which is commercially sensitive, and costs relating to a multi-year project Commodity Trading Risk Management (CTRM) system which is not able to be capitalised as an intangible asset (2021: \$0.8 million relating to COVID-19 government wage support received from the Australian, New Zealand and Singapore government programs).

Site remediation

A review of current remediation cost experience has led to an increase in Convenience Retail's asset restoration obligations. The provision has been increased by \$48.4 million, of which, \$26.3 million has been expensed and treated as a significant item as it relates to sites which are closed or fully impaired. The remaining \$22.1 million has increased the Group's restoration assets. (2021: \$41.9 million release of the Kurnell site remediation provision following a biennial third-party review).

(Impairment)/impairment reversal of non-current assets

Net impact of \$11.0 million relating to reversal of Convenience Retail assets previously impaired \$21.8 million (2021: \$9.0 million), partly offset by \$10.8m current period impairment relating to underperforming sites (2021: \$31.0 million impairment from information technology assets \$24.5 million and a \$15.5 million impairment of Convenience Retail sites which were partly offset by a \$9.0 million impairment reversal relating to Convenience Retail sites). Impairment losses are disclosed in note B2.

Z Energy acquisition transaction costs

The Group has recognised an expense of \$29.1 million (2021: \$6.8 million) relating to transaction costs incurred to acquire Z Energy Limited.

Notes to the Financial Statements

B Results for the year continued

FOR THE YEAR ENDED 31 DECEMBER 2021

B3 Segment reporting continued

B3.3 Significant items excluded from profit or loss reported to the chief operating decision maker continued:

Sale of Gull New Zealand

Profit on sale after transaction costs of \$38.6 million relating to the gain on divestment of Gull New Zealand (\$46.6 million net of transaction costs of \$8.0 million). (2021: \$1.0 million transaction costs).

Divestment gains

Gain on sale of Convenience Retail sites \$14.8 million (2021: \$12.5 million gain on sale of 17.16% interest in Car Next Door Australia Pty Ltd).

Unrealised Gains/(Losses) on mark to market of Electricity Derivatives

\$51.7 million after tax unrealised electricity mark to market derivative gain which does not qualify for hedge accounting treatment relating to Z Energy's investment in Flick Energy (2021: \$nil).

Tax

Release of tax provision, creating a tax benefit of \$110.2 million, as a consequence of an agreement reached with the ATO in relation to tax applicable on profits earned by the Group's Singapore operations (2021: \$nil).refer to note E1.

B3.4 Geographical segments

The Group operates in Australia, New Zealand, United States and Singapore. External revenue is predominantly generated in Australia. The Group generated the following revenue and holds the following non-current assets across the geographical segments.

Millions of dollars	Australia	New Zealand	Singapore	US	Total
2022					
Revenue [^]	26,760.8	4,061.8	6,090.7	1,578.2	38,491.5
Non-current assets	4,666.4	2,335.4	1.9	6.5	7,010.2
2021					
Revenue [^]	15,391.2	–	5,068.1	423.4	20,882.7
Non-current assets	4,208.4	433.2	3.2	1.5	4,646.3

[^] Certain amounts have been re-presented to remove those operations classified as discontinued in the current year as detailed in note F3 *Discontinued operations*.

B3.5 Major customer

Revenues from two major customers of the Group's Fuels and Infrastructure segment represents approximately \$5.2 billion (2021: \$3.2 billion) of the Group's total gross sales revenue (excluding product duties and taxes).

Notes to the Financial Statements

B Results for the year continued

FOR THE YEAR ENDED 31 DECEMBER 2021

B4 Earnings per share

Cents per share	2022	2021 Restated ^A
Basic and diluted historical earnings per share		
Statutory net profit/(loss) attributable to ordinary shareholders – basic	334.0	234.2
Statutory net profit/(loss) attributable to ordinary shareholders – diluted	332.3	233.5
RCOP after tax and excluding significant items – basic ⁽ⁱ⁾	320.1	139.6
RCOP after tax and excluding significant items – diluted ⁽ⁱ⁾	318.5	139.1
Basic and diluted historical earnings per share – Continuing operations		
Statutory net profit/(loss) attributable to ordinary shareholders – basic	305.3	217.9
Statutory net profit/(loss) attributable to ordinary shareholders – diluted	303.8	217.3
RCOP after tax and excluding significant items – basic ⁽ⁱ⁾	307.3	124.6
RCOP after tax and excluding significant items – diluted ⁽ⁱ⁾	305.8	124.2
Basic and diluted historical earnings per share – Discontinued operations		
Statutory net profit/(loss) attributable to ordinary shareholders – basic	28.7	16.3
Statutory net profit/(loss) attributable to ordinary shareholders – diluted	28.5	16.2
RCOP after tax and excluding significant items – basic ⁽ⁱ⁾	12.8	15.0
RCOP after tax and excluding significant items – diluted ⁽ⁱ⁾	12.7	14.9

^A Certain amounts have been re-presented to remove those operations classified as discontinued in the current year as detailed in note F3 *Discontinued operations*.

(i) The prior period has been restated to exclude externalities realised foreign exchange gains and losses due to a revision in the RCOP methodology used by the Group.

Notes to the Financial Statements

B Results for the year continued

FOR THE YEAR ENDED 31 DECEMBER 2022

B4 Earnings per share continued

Calculation of earnings per share

Basic historical earnings per share is calculated as the net profit attributable to ordinary shareholders of the parent entity divided by the weighted average number of ordinary shares outstanding during the year ended 31 December 2022.

Diluted statutory earnings per share is calculated as the profit attributable to ordinary shareholders of the parent entity divided by the weighted average number of ordinary shares which has been adjusted to reflect the number of shares that would be issued if all outstanding rights and restricted shares were exercised.

Earnings per share has been disclosed for both the statutory net profit as well as the RCOP method of reporting net profit. The RCOP method adjusts statutory profit for significant items and inventory gains and losses. A reconciliation between historical cost net profit attributable to ordinary shareholders of the parent entity and RCOP after tax and excluding significant items is shown below.

Millions of dollars	2022	2021 Restated [^]
Net profit after tax from continuing operations	778.6	558.6
Add/Less: Minority interest	(51.1)	(37.5)
Add/Less: Inventory (gains)/ loss (incl. realised FX) after tax ⁽ⁱ⁾	89.3	(248.7)
Add/Less: Significant items (gains)/loss after tax	77.4	25.4
Add/Less: Mark-to-market derivative (gains) after tax	(51.7)	–
Add/Less: Income tax (expense) - significant item	(110.2)	–
RCOP excluding significant items after tax – continuing	732.3	297.8

[^] Certain amounts have been re-presented to remove those operations classified as discontinued in the current year as detailed in note F3 *Discontinued operations*.

(i) The prior period has been restated to exclude realised foreign exchange gain and losses due to a revision in the RCOP methodology used by the Group.

Weighted average number of shares (millions)	2022	2021
Issued shares as at 1 January	238.3	249.7
Shares bought back and cancelled ⁽ⁱ⁾	–	(11.4)
Issued shares as at 31 December	238.3	238.3
Weighted average number of shares as at 31 December – basic	238.3	239.1
Weighted average number of shares as at 31 December – diluted	239.5	239.8

(i) Refer to note D6.

Notes to the Financial Statements

B Results for the year continued

FOR THE YEAR ENDED 31 DECEMBER 2022

B5 Dividends

A provision for dividends payable is recognised in the reporting period in which the dividends are declared, for the entire undistributed amount.

B5.1 Dividends declared or paid

Dividends recognised in the current year by the Group are:

Millions of dollars	Date of payment	Franked/ unfranked	Cents per share	Total amount
2022				
Interim 2022	28 September 2022	Franked	120	286.0
Final 2021	31 March 2022	Franked	41	97.6
Total amount			161	383.6
2021				
Interim 2021	23 September 2021	Franked	52	123.9
Final 2020	1 April 2021	Franked	23	54.8
Total amount			75	178.7

Subsequent events

Since 31 December 2022, the Directors declared the following dividends. The dividends have not been provided for and there are no Income tax consequences for the Group in relation to 2022.

Final 2022	30 March 2023	Franked	105	250.2
Special 2022	30 March 2023	Franked	50	119.2

B5.2 Dividend franking account

Millions of dollars	2022	2021
30% franking credits available to shareholders of Ampol Limited for subsequent financial years	525.7	592.6
28% New Zealand imputation credits available to shareholders of Ampol Limited for subsequent financial years	160.7	–

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

The impact on the dividend franking account of dividends proposed after the balance sheet date but not recognised as a liability, is to reduce the balance by \$158.3 million (2021: \$42.0 million).

Notes to the Financial Statements

C Operating assets and liabilities

FOR THE YEAR ENDED 31 DECEMBER 2022

This section provides information on the assets used to generate the Group's trading performance and the liabilities incurred as a result.

C1 Trade and other receivables

The following balances are amounts due from the Group's customers and others.

Millions of dollars	2022	2021
Trade debtors	1,771.3	827.1
Accrued receivables	254.7	340.9
Allowance for impairment	(8.7)	(8.0)
Prepayments	71.6	25.2
Associates and joint venture entities	135.1	75.3
Derivative assets	266.0	71.2
Other debtors	195.9	246.6
Contract assets	33.3	39.4
Total trade and other receivables	2,719.2	1,617.7
Current	2,601.1	1,576.2
Non-current	118.1	41.5
Total trade and other receivables	2,719.2	1,617.7

Receivables are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost less impairment losses.

Impairment testing is performed at each reporting date. A provision for impairment losses is raised based on a risk matrix for expected credit losses across customer categories.

Impaired receivables

As at 31 December 2022, current trade receivables of the Group with a nominal value of \$8.7 million (2021: \$8.0 million) were provided for as impaired based on the expected credit loss model. No collateral is held over these impaired receivables.

As at 31 December 2022, trade receivables of \$71.9 million (2021: \$16.6 million) were overdue. The ageing analysis of receivables is as follows:

Millions of dollars	2022	2021
Past due 0 to 30 days	65.6	16.6
Past due 31 to 60 days	5.3	–
Past due greater than 60 days	1.0	–
Total aged receivables	71.9	16.6

Movements in the allowance for impairment of receivables are as follows:

Millions of dollars	2022	2021
At 1 January	8.0	8.6
Provision for impairment recognised during the year	4.9	1.5
Receivables written off during the year as uncollectible	(3.6)	(2.1)
Bad debts recovered	(0.6)	–
Balance at 31 December 2022	8.7	8.0

The creation and release of the provision for impaired receivables has been included in general and administration expenses in the Consolidated Income Statement. Amounts charged to the allowance account are written off when there is no expectation of recovering additional cash. The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

Notes to the Financial Statements

C Operating assets and liabilities continued

FOR THE YEAR ENDED 31 DECEMBER 2022

C2 Inventories

Millions of dollars	2022	2021
Crude oil and raw materials	677.2	530.2
Inventory in process	111.8	41.6
Finished goods	2,774.3	1,467.3
Materials and supplies	30.6	25.8
Balance at 31 December 2022	3,593.9	2,064.9

Inventories are measured at the lower of cost and net realisable value. Cost is based on the first in first out (FIFO) principle and includes direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure incurred in acquiring the inventories and bringing them into their existing location and condition.

Inventories held at 31 December 2022 were written down to their net realisable value. The amount of the write down was \$39.5 million and is non-cash in nature. It arises as a consequence of significant market volatility with market prices rising in 2022. The adjustment is recognised within Cost of Goods Sold expense in the income statement. Inventory write-downs may be reversed when net realisable value increases subsequent to initial write-down. The reversal is limited to the original write-down amount.

Notes to the Financial Statements

C Operating assets and liabilities continued

FOR THE YEAR ENDED 31 DECEMBER 2022

C3 Intangibles

Millions of dollars	Goodwill	Brand name	Rights and licenses	Customer contracts	Software	New Zealand Emissions Trading Units	Total
Cost							
At 1 January 2022	426.2	–	98.0	–	291.4	–	815.6
Additions through business combination	477.5	52.5	–	179.5	13.7	889.5	1,612.7
Additions	–	–	–	–	10.5	221.7	232.2
Transfers	–	–	7.1	–	12.5	–	19.6
Utilisation	–	–	–	–	–	(294.2)	(294.2)
Disposals	–	–	–	–	(89.4)	(30.7)	(120.1)
Disposals through divestment of subsidiary	(228.4)	–	(37.1)	–	–	–	(265.5)
Foreign currency translation	4.6	1.7	(2.8)	5.6	1.9	24.1	35.1
Balance at 31 December 2022	679.9	54.2	65.2	185.1	240.6	810.4	2,035.4
Cost							
At 1 January 2021	425.2	–	97.4	–	277.5	–	800.1
Additions and transfers	–	–	1.4	–	16.9	–	18.3
Disposals	–	–	(0.9)	–	(3.0)	–	(3.9)
Foreign currency translation	1.0	–	0.1	–	–	–	1.1
Balance at 31 December 2021	426.2	–	98.0	–	291.4	–	815.6
Amortisation and impairment							
At 1 January 2022	(19.5)	–	(54.6)	–	(235.2)	–	(309.3)
Amortisation for the year	–	–	(2.7)	(14.1)	(21.5)	–	(38.3)
Disposals	–	–	–	–	86.9	(188.4)	(101.5)
Disposals through divestment of subsidiary	12.9	–	8.3	–	–	–	21.2
Transfers and reclassification	–	–	(4.4)	–	1.6	–	(2.8)
Foreign currency translation	–	–	–	1.1	(0.4)	(6.2)	(5.5)
Balance at 31 December 2022	(6.6)	–	(53.4)	(13.0)	(168.6)	(194.6)	(436.2)
Amortisation and impairment							
At 1 January 2021	(19.5)	–	(48.0)	–	(174.2)	–	(241.7)
Change in accounting policy (note A4)	–	–	–	–	(28.2)	–	(28.2)
Amortisation for the year	–	–	(6.3)	–	(10.8)	–	(17.1)
Impairment losses (note C4)	–	–	–	–	(24.5)	–	(24.5)
Disposals	–	–	–	–	2.5	–	2.5
Foreign currency translation	–	–	(0.3)	–	–	–	(0.3)
Balance at 31 December 2021	(19.5)	–	(54.6)	–	(235.2)	–	(309.3)
Carrying amount							
At 1 January 2022	406.7	–	43.4	–	56.2	–	506.3
Balance at 31 December 2022	673.3	54.2	11.8	172.1	72.0	615.8	1,599.2
Carrying amount							
At 1 January 2021	405.7	–	49.4	–	103.3	–	558.4
Balance at 31 December 2021	406.7	–	43.4	–	56.2	–	506.3

Notes to the Financial Statements

C Operating assets and liabilities continued

FOR THE YEAR ENDED 31 DECEMBER 2022

C3 Intangibles continued

The amortisation charge of \$38.3 million (2021: \$17.1 million) is recognised in selling and distribution expenses and general and administration expenses in the Consolidated Income Statement.

Goodwill

Goodwill arising on the acquisition of subsidiaries is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

Other intangible assets

In 2021, the Company revised its accounting policy in relation to configuration and customisation costs incurred in implementing cloud computing arrangements in response to the IFRIC agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements.

The impact of the change in accounting policy on historical financial information is disclosed in note A4.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Costs related to access, configuration and customisation of unrestricted use of cloud computing arrangements are recognised as an operating expense.

Amortisation

Amortisation is charged to the Consolidated Income Statement on a straight-line basis over the estimated useful lives of intangible assets. Other intangible assets are amortised from the date they are available for use. The estimated useful lives in the current and comparative periods are reflected by the following amortisation percentages:

Software development	7 to 17%
Software not integrated with hardware	7 to 18%
Rights and licences	4 to 33%
Customer contracts	7 to 33%
Brand name	Indefinite

Impairment

The carrying amounts of intangible assets are reviewed to determine if there is any indication of impairment. If any such indication exists, the cash-generating unit's recoverable amount is estimated and, if required, an impairment is recognised in the Consolidated Income Statement. In 2022, there was impairment loss of \$nil (2021: \$24.5 million) recognised in the Consolidated Income Statement for information technology assets as detailed in note C4 *Impairment – Other specific assets*.

Emissions units

The Group purchases carbon emissions units to meet its surrender obligation under the New Zealand Emissions Trading Scheme. The units are measured at weighted average cost.

Stock of units (millions)	2022	2021
Balance at beginning of the year	–	–
Units acquired through acquisition of Z Energy	13.0	–
Units acquired and receivable	3.0	–
Units sold	(7.5)	–
Units reacquired/(leased)	–	–
Balance at end of year	8.5	–

Carrying value assessment of Cash-Generating Units (CGUs) containing goodwill and indefinite life intangibles

The Group tests the carrying amount of indefinite life intangible assets, including goodwill, for impairment to ensure they are not carried at above their recoverable amounts, at least annually and where there is an indication that the assets may be impaired.

The recoverable amount of all CGUs containing goodwill have been estimated in the current reporting period.

Notes to the Financial Statements

C Operating assets and liabilities continued

FOR THE YEAR ENDED 31 DECEMBER 2022

C3 Intangibles continued

Carrying value assessment of Cash-Generating Unit (CGU) groups containing goodwill and indefinite life intangibles continued

Goodwill and indefinite life intangibles have been allocated to the CGUs as follows:

Total goodwill and indefinite life intangibles

Millions of dollars	Convenience Retail	Fuels & Infrastructure Other	Z Energy	Total
Goodwill	113.2	68.0	492.1	673.3
Indefinite life intangibles	–	0.9	54.2	55.1
Balance at 31 December 2022	113.2	68.9	554.6	736.7

Each of the CGUs' recoverable amount has been determined using a value-in-use approach with the exception of Seaoil, which is determined using fair value less cost of disposal approach. There were no impairments recognised during the year ended 31 December 2022 (2021: nil).

Key assumptions used in value-in-use calculations

Key assumption	Basis for determining value-in-use assigned to key assumption
Cash flow	Estimated future cash flows are based on the Group's most recent best estimate of cash flows covering a draft five-year plan period from 2023 to 2027. Cash flows beyond the period in 2027 are extrapolated using estimated long-term growth rates.
Estimated long-term average growth rate	The cash flows have been extrapolated using a constant growth rate of: Australia 2.5% and New Zealand 2.0%.
Discount rate	Pre-tax discount rates used vary depending on the nature of the business and the country of operation. The cash flows have been discounted using post-tax discount rates of between 7.5 to 12.3 percentage points and pre-tax discount rates of between 8.1% to 14.8% p.a.

Sensitivities

Determining recoverable amount requires the exercise of significant judgements which take into account both internal and external factors. Changes in the long-term view of any of these factors may impact the estimated recoverable value. The recoverable amount of the CGU Groups containing goodwill and indefinite life intangibles would equal their carrying amount if any of the following key assumptions were to change:

CGU Groups	Key assumptions
Z Limited	Cash contributions reduce by 21% for each year modelled Post-tax discount rate increases by 1.8 percentage points
Fuels and Infrastructure other	Cash contributions reduce by 45% for each year modelled Post-tax discount rate increases by 5.2 percentage points
Convenience Retail	Cash contributions reduce by 60% for each year modelled Post-tax discount rate increases by 9.0 percentage points

In reaching its conclusions regarding the recoverable amounts of these CGUs the Group has considered the potential impacts that clean energy transition and decarbonisation may have on its business through downside scenario analysis. Whilst the speed and form of the transition is still highly uncertain, the Group has undertaken additional downside scenario analysis using current expectations of the timing and speed of these changes. This has included reviewing recovery timeframes for carrying values against anticipated timing of energy transition and cashflow growth rates required to break-even under 2035 and 2045 time horizons. No impairment has been identified based on this scenario analysis.

Notes to the Financial Statements

C Operating assets and liabilities continued

FOR THE YEAR ENDED 31 DECEMBER 2022

C4 Property, plant and equipment

Millions of dollars	2022	2021
Freehold land		
At cost	720.4	482.0
Accumulated impairment losses	(70.1)	(70.1)
Net carrying amount	650.3	411.9
Buildings		
At cost	1,035.2	756.3
Accumulated depreciation and impairment losses	(421.5)	(335.0)
Net carrying amount	613.7	421.3
Leasehold property		
At cost	372.9	347.2
Accumulated depreciation and impairment losses	(211.9)	(186.8)
Net carrying amount	161.0	160.4
Plant and equipment		
At cost	6,748.6	6,180.3
Accumulated depreciation and impairment losses	(4,952.8)	(4,764.9)
Net carrying amount	1,795.8	1,415.4
Capital projects in progress		
At cost	399.8	323.0
Accumulated impairment losses	–	–
Net carrying amount	399.8	323.0
Total net carrying amount	3,620.6	2,732.0

Owned assets

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

The cost of property, plant and equipment includes the cost of decommissioning and restoration at the end of their economic lives if a present legal or constructive obligation exists. More details of how this cost is estimated and recognised is contained in note C7.

Subsequent expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including cyclical maintenance, is capitalised. Other subsequent expenditure is capitalised only when it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be reliably measured. All other expenditure is recognised in the Consolidated Income Statement as an expense as incurred.

Major cyclical maintenance

Major cyclical maintenance expenditure is separately capitalised as an asset component to the extent that it is probable that future economic benefits, in excess of the originally assessed standard of performance, will eventuate. All other such costs are expensed as incurred. Capitalised cyclical maintenance expenditure is depreciated over the lesser of the additional useful life of the asset or the period until the next major cyclical maintenance is scheduled to occur.

Depreciation

Items of property, plant and equipment, including buildings and leasehold property but excluding freehold land, are depreciated using the straight-line method over their expected useful lives. Leasehold improvements are amortised over the shorter of the lease term or useful life.

Notes to the Financial Statements

C Operating assets and liabilities continued

FOR THE YEAR ENDED 31 DECEMBER 2021

C4 Property, plant and equipment continued

The depreciation rates used in the current and prior year for each class of asset are as follows:

Freehold buildings	2%
Leasehold property	2% to 10%
Plant and equipment	3% to 25%
Leased plant and equipment	3% to 25%

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

Some of the useful lives of the Group's assets may be impacted by energy transition. All useful lives are reviewed taking into account the Group's current assessment of energy transition timeframes. To the extent that the Group's assessment of the timing or pace of this transition changes, the useful lives of the asset would change on a prospective basis.

Impairment of non-current assets

Carrying value assessment cash-generating units

Cash-generating units ("CGUs") are reviewed at each reporting period to determine if there are any indicators of impairment. CGUs are the lowest levels at which assets are grouped and generate separately identifiable cash flows. Where an indicator of impairment exists, a detailed recoverable amount test is performed for the relevant CGU. If the recoverable amount test determines that a CGU is impaired an impairment expense is recognised in the income statement.

All CGUs have been reviewed for indicators and triggers of impairment or a detailed review of recoverable amount performed.

Impairment Convenience Retail site CGUs

31 December 2022

The impairment review identified \$7.0 million impairment relating to closing/closed sites and \$3.8 million of other specific assets. The results of the review also identified 33 sites where impairment reversal was indicated with an associated value of \$21.8 million. The Group recognised a net gain of \$11.0 million (2021: net loss \$6.5 million).

31 December 2021

In the period to December 2021, the Group assessed triggers for impairment across the portfolio of convenience retail sites. Through this trigger review 45 sites were identified which have been flagged for closure or lease relinquishment and 8 further sites were identified as underperforming. There were no other sites triggered for a more detailed review. The 53 sites identified during the review were fully impaired in 2021 and a \$15.5 million impairment expense was reflected in the Consolidated Income Statement.

The Group also carried out a review of previous impairments to determine whether any change in circumstance or sustained improvement in performance, warranted a review of recoverable amount to determine whether reversal was required. During the review, four convenience retail sites were identified that had previously been impaired due to planned closure however a decision was made to continue to trade at those sites. As a consequence, an impairment reversal was recognised of \$9.0 million in the Consolidated Income Statement.

Impairment – Other specific assets

31 December 2022

During the period to December 2022, no other Impairment has been recognised.

31 December 2021

During the period to December 2021, the Group has performed a review of its information technology assets. As part of the review several projects had been identified as impaired with an expense of \$24.5 million recognised in the Consolidated Income Statement.

Notes to the Financial Statements

C Operating assets and liabilities continued

FOR THE YEAR ENDED 31 DECEMBER 2022

C4 Property, plant and equipment continued

Millions of dollars	2022	2021
Freehold land		
Carrying amount at the beginning of the year	411.9	385.4
Additions through business combination	364.3	–
Additions	6.3	28.6
Disposals	(13.9)	(4.2)
Disposals through divestment of subsidiary	(49.9)	–
Transfers	(77.2)	2.3
Foreign currency translation	8.8	(0.2)
Carrying amount at the end of the year	650.3	411.9
Buildings		
Carrying amount at the beginning of the year	421.3	438.3
Additions through business combination	147.3	–
Additions	6.3	3.5
Disposals	(5.8)	(16.7)
Transfers	79.8	10.9
Depreciation	(27.4)	(14.7)
Foreign currency translation	(7.8)	–
Carrying amount at the end of the year	613.7	421.3
Leasehold property		
Carrying amount at the beginning of the year	160.4	99.0
Additions through business combination	10.3	–
Additions	11.1	26.9
Disposals	–	(0.4)
Transfers	2.9	63.9
Depreciation	(24.1)	(27.6)
Foreign currency translation	0.4	(1.4)
Carrying amount at the end of the year	161.0	160.4
Plant and equipment		
Carrying amount at the beginning of the year	1,415.4	1,451.0
Additions through business combination	298.8	–
Additions	60.5	33.5
Disposals	(8.7)	(26.0)
Disposals through divestment of subsidiary	(78.2)	–
Impairment losses	(10.8)	(12.0)
Impairment losses reversal	21.8	9.0
Transfers	314.3	159.7
Depreciation	(238.1)	(200.4)
Foreign currency translation	20.8	0.6
Carrying amount at the end of the year	1,795.8	1,415.4

Notes to the Financial Statements

C Operating assets and liabilities continued

FOR THE YEAR ENDED 31 DECEMBER 2022

C4 Property, plant and equipment continued

Millions of dollars	2022	2021
Capital projects in progress		
Carrying amount at the beginning of the year	323.0	237.3
Additions through business combination	59.6	–
Impairment losses	–	(2.6)
Additions	353.2	272.1
Disposals through divestment of subsidiary	(4.2)	–
Borrowing costs capitalised	–	0.1
Transfers	(336.6)	(183.9)
Foreign currency translation	4.8	–
Carrying amount at the end of the year	399.8	323.0

C5 Right-of-use assets

Definition of a lease

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At inception or on reassessment of a contract that contains a lease and non-lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

Non-lease components are items that are not related to securing the use of the underlying asset.

The Group as a lessee

The Group leases many assets including and predominantly related to property leases for service stations, terminals, pipelines and wharves.

The Group recognises a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost. The cost comprises:

- measurement of the lease liability including any option period reasonably certain of being exercised;
- the amount of the initial measurement of the lease liability;
- lease payments made at or before commencement, less lease incentive (if any);
- initial direct costs incurred, including legal fees, agency fees or other fees in relation to negotiation or arrangement of the lease; and
- estimated costs to be incurred in restoring the asset as required by the terms and conditions of the lease.

The right-of-use asset is subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The right-of-use assets are depreciated to the earlier of the end of the useful life of the underlying asset or the lease term using the straight-line method. Right-of-use asset depreciation expense is included in the "Selling and distribution expenses" and "General and administration expenses" in the Consolidated Income Statement based on the function of associated activities.

The Group has elected not to recognise right-of-use assets for leases of low-value assets and short-term leases, including motor vehicles and IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements

C Operating assets and liabilities continued

FOR THE YEAR ENDED 31 DECEMBER 2022

C5 Right-of-use assets continued

Millions of dollars	Leasehold property	Plant and equipment	Total
Balance at 1 January 2022	828.8	3.9	832.7
Addition through business combination	–	267.1	267.1
Additions	56.3	7.4	63.7
Disposals	(21.3)	–	(21.3)
Disposals through divestment of subsidiary	(36.7)	–	(36.7)
Depreciation charge for the year	(102.5)	(19.0)	(121.5)
Foreign currency translation	(0.6)	13.7	13.1
Balance at 31 December 2022	724.0	273.1	997.1
Balance at 1 January 2021	853.0	3.7	856.7
Additions	181.0	2.9	183.9
Disposals	(29.0)	–	(29.0)
Reclassification	(52.9)	–	(52.9)
Impairment losses	(5.1)	–	(5.1)
Depreciation charge for the year	(118.5)	(2.7)	(121.2)
Foreign currency translation	0.3	–	0.3
Balance at 31 December 2021	828.8	3.9	832.7

Amounts recognised in the Consolidated Income Statement

Millions of dollars	2022	2021 Restated [^]
Leases		
Expenses relating to short-term leases, leases of low-value assets and variable leases	45.4	39.2

[^] 2021 expenses have been re-presented to remove those operations classified as discontinued in the current year as detailed in note F3 *Discontinued operations*.

Group as lessor

In contracts where the Group is a lessor, the Group determines whether the lease is an operating lease or finance lease at inception of the lease.

However, when the Group is an intermediate lessor, the sub-leases are classified with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. The impact of sub-leases on the Financial Statements is immaterial.

The Group's leases consist of owned commercial properties. All leases of owned property are classified as operating leases from a lessor perspective. Rental income recognised by the Group during 2022 was \$25.4 million (2021: \$19.5 million).

The Group has granted operating leases expiring from one to seven years. The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Millions of dollars	2022	2021
Operating leases under AASB 16		
Within one year	8.2	6.2
Between one and five years	26.4	12.5
After five years	0.7	0.9
	35.3	19.6

Notes to the Financial Statements

C Operating assets and liabilities continued

FOR THE YEAR ENDED 31 DECEMBER 2022

C6 Payables

Millions of dollars	2022	2021
Trade creditors unsecured	3,060.8	1,606.3
Other creditors and accrued expenses	785.8	652.0
Emissions Unit Obligation	512.4	–
Derivative liabilities	131.4	124.7
Total trade payables	4,490.4	2,383.0
Current	4,438.2	2,370.2
Non-current	52.2	12.8
Total trade payables	4,490.4	2,383.0

The Emissions Trading Scheme obligation of \$512.4m (2021: \$nil) is included within accounts payable, accruals and other liabilities and is valued at the weighted average cost of units, where units have been acquired to settle the Group's obligation. Any shortfall in units needed to settle the obligation is measured at fair value.

Other payables are recognised for amounts to be paid in the future for goods and services received, whether it is billed to the Group or not. Trade accounts payable are normally settled on between 30-day and 60-day terms.

Payables are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost.

Notes to the Financial Statements

C Operating assets and liabilities continued

FOR THE YEAR ENDED 31 DECEMBER 2022

C7 Provisions

Millions of dollars	Site remediation and dismantling	Other	Total
Balance at 1 January 2022	518.1	56.7	574.8
Addition through business combination	97.3	2.1	99.4
Provisions made during the year	83.3	1.7	85.0
Provisions used during the year	(39.6)	(29.3)	(68.9)
Provisions released during the year	(12.2)	(21.2)	(33.4)
Transfers	(0.4)	–	(0.4)
Inflationary movement	3.8	–	3.8
Discounting movement	(12.3)	–	(12.3)
Balance at 31 December 2022	638.0	10.0	648.0
Current	68.0	10.0	78.0
Non-current	570.0	–	570.0
Balance at 31 December 2022	638.0	10.0	648.0

A provision is recognised when there is a present legal or constructive obligation as a result of a past event that can be measured reliably and it is probable that a future sacrifice of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain.

The provision is the best estimate of the present value of the expenditure to settle the obligation at the reporting date. These costs are reviewed and any changes are reflected in the provision at the end of the reporting period.

A provision is determined by discounting the expected future cash flows (adjusted for expected future risks) required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Subsequent accretion to the amount of a provision due to unwinding of the discount is recognised as a financing cost.

In general, the further in the future that a cash outflow for a liability is expected to occur, the greater the degree of uncertainty around the amount and timing of that cash outflow. Examples are of cash outflows that are expected to occur a number of years in the future and, as a result, there is uncertainty on the amounts involved, including asset decommissioning and restoration obligations.

Estimates of the amount of an obligation are based on current legal and constructive obligations, technology and price levels. Actual outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions and can be many years in the future. Factors such as climate change and energy transition, which are highly uncertain, could also change the timing of these works. The carrying amounts of provisions are regularly reviewed and adjusted to take account of any anticipated changes.

Notes to the Financial Statements

C Operating assets and liabilities continued

FOR THE YEAR ENDED 31 DECEMBER 2022

C7 Provisions continued

Site remediation and dismantling

Costs for future dismantling and removal of assets, and remediation of the site on which assets are located, are provided for and capitalised upon initial construction of the asset, where an obligation to incur such costs arises under regulatory requirements and/or the contractual terms of a lease. The present value of the expected future cash flows required to settle these obligations is capitalised and depreciated over the useful life of the asset or the lease term.

A change in estimate of the provision is added to or deducted from the cost of the related asset in the period of the change, to the extent that any amount deducted does not exceed the carrying amount of the asset. If an adjustment results in an addition to the cost of the related asset, consideration will be given to whether an indication of impairment exists and the impairment policy will be applied. An adjustment in circumstances where there is no such related asset is recognised in the Consolidated Income Statement immediately.

Remediation identified in the period resulting from ongoing or past operations, where a legal or constructive obligation exists and the amount can be reliably estimated is recognised as a provision with a corresponding expense to the Consolidated Income Statement.

In assessing the value of provisions the Company uses assumptions and estimates. These include the current legal, contractual or constructive obligations for remediation, expected timings of settlements and amounts (based on past experience or third-party estimates of cost of asset removal, site assessment and additional soil remediation), discount rates and cost inflation rates.

The provision for environmental liabilities is estimated based on current legal and constructive requirements, technology, price levels and expected plans for remediation. Actual costs and timing of cash outflows can differ from current estimates because of changes in regulations, public expectations, prices, new information on site conditions and changes in technology. The timing and amount of future expenditures relating to site dismantling and remediation liabilities are reviewed annually, together with the interest rate used in discounting the cash flows. Changes in assumptions in relation to the Company's provisions can result in material changes to their carrying amounts.

Set out below are the key components of the site remediation and dismantling provision including, where relevant, a description of material changes to the estimates made during the year.

- The environmental remediation obligation associated with the Kurnell oil refinery following its conversion to an import terminal was reviewed by a third-party expert in late 2021. The outcome of this review was that the costs to remediate have been revised and the provision reduced by \$41.9 million in 2021. The reduction in anticipated costs related to savings achieved through renegotiation of contractual arrangements and a reassessment of the contingency allowance now that the required site works have been refined. In the current reporting period, costs are being adjusted for revised inflation and discounting and there has been spend in the current period of approximately \$12.8 million on site works.
- During the year, restoration and remediation provisions for sites identified for divestment including the cost of restoration to a level of non-sensitive industrial use reduced as works were carried out in relation to the identified sites.
- Restoration and remediation provision for sites that were sold in 2019 for a "higher and better" use reflecting their significant value as future residential sites. The provision reflects the Group's commitment to remediate these sites to a standard that would allow residential development. During the year the provision has been utilised as site work progressed resulting in a decrease in the provision of \$4.8 million.
- The provision for dismantling and removal of assets from owned and leased operational sites has been increased by \$48.4 million for Convenience Retail and \$9.7 million for Fuels and Infrastructure as a result of a review of current cost experience. Estimated assumptions include current legal, contractual or constructive obligations for dismantling assets and site restoration, expected timings of settlements, expenses based on past experience or third-party estimates of cost of asset removal, site assessment and additional soil remediation, as well as discount rates and cost inflation rates.
- The provision relating to remediation of site specific contamination has increased by \$11.2 million during the year. The estimated liability for these costs depends on the actions required to meet regulatory standards and other requirements.

Other

These provisions include legal and other provisions.

Notes to the Financial Statements

D Capital, funding and risk management

FOR THE YEAR ENDED 31 DECEMBER 2022

This section focuses on the Group's capital structure and related financing costs. This section also describes how the Group manages the capital and the financial risks it is exposed to as a result of its operating and financing activities.

D1 Liquidity and interest-bearing liabilities

D1.1 Interest-bearing liabilities

Millions of dollars	2022	2021
Current		
Bank overdraft	22.5	–
Bank facilities ⁽ⁱ⁾	251.9	–
Capital market borrowings ⁽ⁱⁱ⁾	65.5	–
Total current interest-bearing liabilities	339.9	–
Non-current		
Bank facilities ⁽ⁱ⁾	593.4	(6.8)
Capital market borrowings ⁽ⁱⁱ⁾	411.9	304.9
Subordinated notes ^{(iii)(iv)(v)}	1,139.7	991.9
Total non-current interest-bearing liabilities	2,145.0	1,290.0
Total interest-bearing liabilities	2,484.9	1,290.0

- (i) Bank facilities of \$845.3 million, less borrowing costs of \$10.0 million (2021: \$6.8 million), comprises:
- NZ\$214.0 million equivalent to \$200.5 million drawn bank debt (2021: \$nil) due to the utilisation of the Z Energy acquisition debt facilities
 - NZ\$560.0 million equivalent to \$524.8 million of drawn bank debt (2021: \$nil)
 - \$130.0 million drawn bank debt (2021: \$nil).
- (ii) Capital market borrowings of \$477.4 million (2021: \$304.9 million) consists of:
- \$300.0 million Australian medium-term notes (less borrowing costs of \$0.7 million (2021: \$1.0 million)), less the fair value adjustment of \$4.7 million (2021: \$(5.9) million) relating to the fair value hedge
 - NZ\$195.0 million equivalent to \$182.9 million of Retail Bonds (2021: nil) less borrowing costs of \$0.1 million (2021: \$1.0 million)
 - US\$270.0 million equivalent to \$342.2 million of US Private Placement Bonds was fully repaid in September 2022.
- (iii) Subordinated notes were issued on 9 December 2020 and are unlisted. They are denominated in Australian dollars. The notes have a maturity date of 9 December 2080, with the first optional redemption date on 9 March 2026 totalling \$500.0 million (less borrowing costs of \$4.1 million (2021: \$5.3 million)).
- (iv) Subordinated notes were issued on 2 December 2021 and are unlisted. They are denominated in Australian dollars. The notes have a maturity date of 2 December 2081, with the first optional redemption date on 19 March 2027 totalling \$500.0 million (less borrowing costs of \$4.5 million (2021: \$2.8 million)).
- (v) Subordinated notes were issued on 21 June 2022 and are unlisted. They are denominated in Australian dollars. The notes have a maturity date of 21 June 2082, with the first optional redemption date on 21 June 2028 totalling \$150.0 million (less borrowing costs of \$1.7 million (2021: nil)).

Interest bearing liabilities are initially recorded at fair value, less transaction costs. Subsequently, interest bearing liabilities are measured at amortised cost, using the effective interest method. Any difference between proceeds received net of transaction costs and the amount payable at maturity is recognised over the term of the borrowing using the effective interest method.

Refer to note D2.6 for liquidity risk management.

Significant funding transactions

On 10 May 2022, Ampol completed the Scheme of Arrangement to acquire Z Energy Limited, with all shares in Z Energy Limited being transferred to Ampol's wholly owned subsidiary, Ampol Holdings NZ Limited. The Z Energy bridge debt of NZ\$1,420 million, which was used to fund the majority of the acquisition, has been largely repaid/refinanced as at 31 December 2022, with an outstanding balance on NZ\$214 million.

On 21 June 2022, Ampol successfully issued \$150 million of subordinated notes. These notes further diversify Ampol's funding sources, support its credit profile and increase its financial flexibility in line with its Capital Allocation Framework. The subordinated notes include a sustainability feature, whereby the redemption price (or conversion price) payable by Ampol is directly linked to key elements of its Future Energy and Decarbonisation Strategy.

On 27 July 2022, Ampol completed the sale of its Gull business in New Zealand to Allegro Funds Pty Ltd. Net cash proceeds of approximately NZ\$522 million from the sale was used to partially repay the NZD loan under Ampol Limited. During 2022, the Group extended the tenor of its existing bilateral Bank loans by AUD equivalent \$1,053.7 million (2021: \$1,612.1 million) and net downsized its committed Bank loans by \$422.0 million (2021: upsized by \$160.0 million).

Notes to the Financial Statements

D Capital, funding and risk management continued

FOR THE YEAR ENDED 31 DECEMBER 2022

D1.2 Lease liabilities

Millions of dollars	2022	2021
Current	163.8	159.6
Non-current	965.7	814.0
Total lease liabilities	1,129.5	973.6

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The Group determines its incremental borrowing rate with reference to external market data, making certain adjustments to reflect the terms of the lease and the type of assets leased. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, less any lease incentive receivable; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease term is determined to be the non-cancellable period of the lease, considering the broader economics of the contract including economic penalties associated with exiting the lease and the useful life of the leasehold improvements on the relevant site.

The lease liability is subsequently increased by the interest cost on the lease liability (recognised in "Finance costs" in the Consolidated Income Statement) and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has elected not to recognise lease liabilities for leases of low-value assets and short-term leases, including motor vehicles and IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Amounts recognised in the statement of cash flows

For the purposes of presentation in the cash flow statement, principal lease payments of \$112.2 million (2021: \$106.3 million) are presented within the financing activities and interest of \$68.9 million (2021: \$54.9 million) within operating activities. Lease payments of short-term leases and leases of low-value assets of \$45.5 million (2021: \$54.5 million) are included within operating activities. In addition to the disclosure in the statement of cash flows, note D2.6 provides a maturity analysis of lease liabilities.

Extension options

Some leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. The Group assesses at lease commencement date and each reporting date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

Notes to the Financial Statements

D Capital, funding and risk management continued

FOR THE YEAR ENDED 31 DECEMBER 2022

D2 Risk management

The Group currently finances its operations through a variety of financial instruments including bank facilities, capital markets borrowings, subordinated notes and leasing transactions. Surplus funds are invested in cash and short-term deposits. The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and commodity price risk), as well as credit and liquidity risk.

Group Treasury centrally manages foreign exchange risk, interest rate risk, liquidity risk, financial institutional credit risk, funding and capital management. Risk management activities with respect to customer credit risk are carried out by the Group's Credit Risk department, and risk management activities with respect to commodity price risk are carried out by Ampol Singapore.

The Group operates under policies approved by the Board of Directors. Group Treasury, Credit Risk and Ampol Singapore evaluate and monitor the financial risks in close co-operation with the Group's operating units.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to reduce potential adverse effects on financial performance. The Group uses a range of derivative financial instruments to hedge market exposures.

The Group enters into derivative transactions; principally, interest rate swaps, foreign exchange contracts (forwards, swaps and options) and crude and finished product swap and futures contracts. The purpose is to manage the market risks arising from the Group's operations and its sources of finance.

Derivative financial instruments are recognised at fair value. The gain or loss on subsequent remeasurement is recognised immediately in the Consolidated Income Statement. However, where derivatives qualify for hedge accounting, recognition of any resulting gain or loss depends on the nature of the item being hedged.

It is the Group's policy that no speculative trading with derivative instruments shall be undertaken.

The magnitude of each type of financial risk that has arisen over the year is discussed in notes D2.1 to D2.6 below.

Hedge accounting

There are three types of hedge accounting relationships that the Group may utilise:

Type of hedge	Objective	Hedging instruments	Accounting treatment
Cash flow hedges	To hedge the Group's exposure to variability in cash flows of an asset, liability or forecast transaction caused by interest rate or foreign currency movements.	Foreign exchange contracts (forwards, swaps and options). Interest rate swap contracts (floating-to-fixed).	The effective portion of changes in fair value of these financial instruments is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Income Statement. The cumulative gain or loss in equity is transferred to the Consolidated Income Statement in the period when the hedged item affects profit or loss. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, the cumulative gain or loss existing in equity at the time remains in equity and is recognised when the forecast transaction ultimately affects profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Consolidated Income Statement.
Fair value hedges	To hedge the Group's exposure to changes to the fair value of an asset or liability arising from interest rate movements.	Interest rate swap contracts (fixed-to-floating).	Changes in the fair value of derivative financial instruments that are designated and qualify as fair value hedges are recorded in the Consolidated Income Statement, together with any changes in the fair value of the hedged asset or liability or firm commitment attributable to the hedged risk.
Net investment hedges	To hedge the Group's exposure to exchange rate differences arising from the translation of our foreign operations from their functional currency to Australian dollars.	Foreign currency borrowings.	Foreign exchange differences arising from the translation of the net investment in foreign operations, and of related hedges that are effective, are recognised in other comprehensive income and presented in the foreign currency translation reserve within equity. They may be released to the Consolidated Income Statement upon disposal of the foreign operation.

Notes to the Financial Statements

D Capital, funding and risk management continued

FOR THE YEAR ENDED 31 DECEMBER 2022

D2 Risk management continued

D2.1 Interest rate risk

Interest rate risk is the risk that fluctuations in interest rates adversely impact the Group's results. Borrowings issued at variable interest rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

Interest rate risk exposure

The Group's exposure to interest rate risk (after hedging) for classes of financial assets and liabilities is set out as follows:

Millions of dollars	2022	2021
Financial assets		
Cash at bank and on hand	126.0	566.3
	126.0	566.3
Financial liabilities		
Variable rate borrowings		
Bank facilities	324.3	143.2
Subordinated notes	706.9	341.9
Fixed interest rate – repricing dates including lease liabilities:		
12 months or less	229.3	159.2
One to five years	1,761.9	1,166.4
Over five years	592	452.9
	3,614.4	2,263.6

Management of interest rate risk

The Group manages interest rate risk by using a floating versus fixed rate debt framework. The relative mix of fixed and floating interest rate funding is managed by using interest rate swap contracts. Maturities of swap contracts are principally between one and four years.

The Group manages its cash flow interest rate risk by entering into floating-to-fixed interest rate swap contracts. At 31 December 2022, the fixed rates under these swap contracts varied from 0.5% to 4.8% per annum, at a weighted average rate of 2.7% per annum (2021: 0.5% to 2.3% per annum, at a weighted average rate of 1.3% per annum).

The Group manages its fair value interest rate risk by using fixed-to-floating interest rate swap contracts.

The net fair value of interest rate swap contracts at 31 December 2022 was a \$42.8 million gain (2021: \$15.5 million gain).

Interest rate sensitivity analysis

At 31 December 2022, if interest rates had changed by +/-1% from the year-end rates, with all other variables held constant, the impact on post-tax profit for the year for the Group and equity would have been:

	2022		2021	
Millions of dollars	Post-tax profit	Hedge reserve	Post-tax profit	Hedge reserve
Interest rates decrease by 1%	40.8	(34.2)	34.6	2.1
Interest rates increase by 1%	(40.6)	34.2	(34.4)	(2.1)

Notes to the Financial Statements

D Capital, funding and risk management continued

FOR THE YEAR ENDED 31 DECEMBER 2022

D2 Risk management continued

D2.2 Foreign exchange risk

Foreign exchange risk is the risk that fluctuations in exchange rates will adversely impact the Group's results.

Foreign currency transactions are recorded on initial recognition in Australian dollars by applying the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate applicable for that date. Foreign exchange differences arising on translation are recognised in the Consolidated Income Statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Australian dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Australian dollars at the exchange rates at the date of the transactions. Foreign currency differences are recognised in the Consolidated Statement of Comprehensive Income and accumulated in the foreign currency translation reserve.

The Group is exposed to the effect of changes in exchange rates on its operations and investments.

Foreign exchange risk exposure

2022				
Millions of dollars (Australian dollar equivalent amounts)	US dollar	NZ dollar	Australian dollar	Total
Bank facilities	–	(725.0)	(120.3)	(845.3)
Cash and cash equivalents	39.1	60.6	26.3	126.0
Trade receivables	611.3	466.8	1,375.1	2,453.2
Trade payables	(2,474.7)	(26.0)	(1,858.3)	(4,359.0)
Forward exchange contracts (forwards, swaps and options)	(6.2)	(0.5)	–	(6.7)
Crude and finished product swap and futures contracts	0.3	–	–	0.3
Interest rate swap contracts	–	1.8	–	1.8
Electricity futures and options contracts	–	97.2	–	97.2
2021				
Millions of dollars (Australian dollar equivalent amounts)	US dollar	NZ dollar	Australian dollar	Total
Bank facilities	–	–	–	–
Cash and cash equivalents	145.5	26.1	394.7	566.3
Trade receivables	464.3	0.7	1,097.9	1,562.9
Trade payables	(1,398.8)	(53.9)	(806.4)	(2,259.1)
Forward exchange contracts (forwards, swaps and options)	(18.8)	5.5	–	(13.3)
Crude and finished product swap and futures contracts	(55.8)	–	–	(55.8)

Management of foreign exchange risk

In accordance with Group Treasury Policy, the Group's transactional and translational foreign currency exposures are managed as follows:

- transactional foreign currency exposure – foreign exchange instruments (forwards, swaps and options) are used to economically hedge transactional foreign currency exposure; and
- translational foreign currency exposure – foreign currency borrowings may be used to hedge the Group's exposure arising from the foreign currency translation risk from its net investment in foreign operations.

As at 31 December 2022, the total fair value of all outstanding foreign exchange contracts (forwards, swaps and options) amounted to a \$6.8 million loss (2021: \$13.3 million loss).

Notes to the Financial Statements

D Capital, funding and risk management continued

FOR THE YEAR ENDED 31 DECEMBER 2022

D2 Risk management continued

D2.2 Foreign exchange risk continued

Foreign exchange rate sensitivity analysis

At 31 December 2022, had the Australian dollar strengthened/weakened by 10% against the following currencies respectively, with all other variables held constant, the impact on post-tax profit for the year for the Group and equity would have been:

Millions of dollars	2022		2021	
	Post-tax profit	Equity	Post-tax profit	Equity
AUD strengthens against US dollar by 10%	21.2	–	(7.1)	–
AUD weakens against US dollar by 10%	(25.9)	–	28.3	–
AUD strengthens against NZ Dollar 10%	12.3	–	(3.1)	–
AUD weakens against NZ Dollar 10%	(15.0)	–	17.6	–

D2.3 Commodity price risk

Commodity price risk is the risk that fluctuations in commodity prices will adversely impact the Group's results. The Group is exposed to the effect of changes in commodity prices on its operations.

The Group utilises crude and finished product swap and futures contracts to manage the risk of price movements. The Enterprise Commodity Risk Management Policy seeks to minimise adverse price timing risks and basis exposures brought about by purchase and sales transactions.

As at 31 December 2022, the total fair value of all outstanding crude and finished product swap, option and futures contracts amounted to a \$0.3 million gain (2021: \$55.8 million loss).

Commodity price sensitivity analysis

At 31 December 2022, if commodity prices had changed by +/-10% from the year-end prices, with all other variables held constant, the impact on post-tax profit for the year for the Group and equity would have been:

Millions of dollars	2022		2021	
	Post-tax profit	Hedge reserve	Post-tax profit	Hedge reserve
Commodity prices decrease by 10%	48.9	–	18.5	–
Commodity prices increase by 10%	(48.9)	–	(18.5)	–

D2.4 Electricity price risk

Electricity price risk is the risk that fluctuations in electricity prices will generate financial risk and volatility to the Group's earnings. The Group is primarily exposed to energy spot prices when electricity is purchased or sold from the National Electricity Market (NEM) in Australia or Electricity Authority in New Zealand, enters into long-term supply contracts; and purchase or surrender environmental emissions certificates.

The Group manages the electricity risk exposure through the enterprise commodity risk management framework; and fluctuations of electricity prices in the wholesale market are hedged using electricity derivative contracts (forwards, futures and options).

As at 31 December 2022, the total fair value of all outstanding electricity forwards, futures and options derivative contracts amounted to a \$98.3 million gain (2021: \$nil).

Electricity price sensitivity analysis

At 31 December 2022, if electricity forward prices had changed by +/-10% from the year end prices, with all other variables held constant, the impact on post-tax profit for the year for the Group and equity would have been:

Millions of dollars	2022		2021	
	Post-tax profit	Hedge reserve	Post-tax profit	Hedge reserve
Electricity forward prices decrease by 10%	(17.1)	(0.8)	–	–
Electricity forward prices increase by 10%	17.1	0.8	–	–

Notes to the Financial Statements

D Capital, funding and risk management continued

FOR THE YEAR ENDED 31 DECEMBER 2022

D2 Risk management continued

D2.5 Credit risk

Customer credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The credit risk on financial assets of the Group which have been recognised on the Consolidated Balance Sheet is the carrying amount of trade debtors and other receivables, net of allowances for impairment (see note C1).

The Group has a Board-approved Credit Policy and manual which provide the guidelines for the management and diversification of the credit risk to the Group. The guidelines provide the scope in which the credit risk of customers is assessed and the use of credit rating and other information in order to set appropriate limits of trade with customers. The credit quality of customers is consistently monitored in order to identify any potential adverse changes in the credit risk of the customers.

Expected customer credit losses are assessed on a portfolio basis between small and medium to large businesses.

The Group also minimises concentrations of credit risk by undertaking transactions with a large number of customers across a variety of industries and networks.

Security is required to be supplied by certain groups of Ampol customers to minimise risk. The security could be in the form of a registered personal property security interest over the customer's assets and/or mortgages over real property. Bank guarantees, other contingent instruments or insurance bonds are also provided in some cases.

Financial institution credit risk

Credit risk on cash, short-term deposits and derivative contracts is reduced by transacting with relationship banks which have acceptable credit ratings determined by a recognised ratings agency. Interest rate swaps, foreign exchange contracts (forwards, swaps and options), crude and finished product swap and futures contracts, bank guarantees, and other contingent instruments are subject to credit risk in relation to the relevant counterparties, which are principally large relationship banks. The maximum credit risk exposure on foreign exchange contracts, crude and finished product swap and futures contracts, bank guarantees, and other contingent instruments is the fair value amount that the Group receives when settlement occurs, should the counterparty fail to pay the amount which it is committed to pay the Group. The credit risk on interest rate swaps is limited to the positive mark-to-market amount to be received from counterparties over the life of contracts.

D2.6 Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Due to the dynamic nature of the underlying business, the liquidity risk policy requires maintaining sufficient cash and an adequate amount of committed credit facilities to be held above the forecast requirements of the business. The Group manages liquidity risk centrally by monitoring cash flow forecasts and maintaining adequate cash reserves and debt facilities. The debt portfolio is periodically reviewed to ensure there is funding flexibility across an appropriate maturity profile.

The debt facility maturity profile of the Group as at 31 December 2022 is as follows:

Millions of dollars	2023	2024	2025	Beyond 2025	Funds available	Drawn	Undrawn
Bank facilities – drawn ⁽ⁱ⁾	255.5	–	–	599.8	855.3	855.3	–
Bank facilities – undrawn	315.0	643.0	200.0	1,572.0	2,730.0	–	2,730.0
Capital market borrowings ⁽ⁱⁱ⁾	65.6	117.1	300.0	–	482.7	482.7	–
Subordinated notes ⁽ⁱⁱⁱ⁾	–	–	–	1,150.0	1,150.0	1,150.0	–
Total	636.1	760.1	500.0	3,321.8	5,218.0	2,488.0	2,730.0

(i) Bank facilities were partially drawn for the year ended 31 December 2022. Refer to note D1.1 annotation for the reconciliation back to \$845.3 million (2021: (\$6.8) million).

(ii) Capital market borrowings were drawn for year ended 31 December 2022. Refer to note D1.1 annotation for the reconciliation back to \$477.4 million (2021: \$304.9 million).

(iii) Subordinated notes were drawn for the year period 31 December 2022. Refer to note D1.1 annotation for the reconciliation back to \$1,139.7 million (2021: \$991.9 million).

The Group maintains a strong balance sheet and liquidity position by accessing diversified funding sources made up of committed bank debt facilities and bonds, with a weighted average debt maturity profile of 3.4 years.

The total committed funds at 31 December 2022 was \$5,138.0 million (2021: \$3,602.1 million), with \$2,670.0 million (2021: \$2,302.1 million) in undrawn committed bank debt facilities.

Notes to the Financial Statements

D Capital, funding and risk management continued

FOR THE YEAR ENDED 31 DECEMBER 2022

D2 Risk management continued

D2.6 Liquidity risk management continued

The tables below set out the contractual timing of undiscounted cash flows on derivative and non-derivative financial assets and liabilities at the reporting date, including drawn borrowings and interest.

	2022			2021		
Millions of dollars	Derivative financial liabilities	Derivative financial assets	Net derivative financial (liabilities)/ assets	Derivative financial liabilities	Derivative financial assets	Net derivative financial (liabilities)/ assets
Derivative financial instruments						
Less than one year	(1,971.8)	1,977.8	6.0	(3,917.5)	3,901.8	(15.7)
One to five years	(107.4)	141.6	34.2	(5.8)	20.8	15.0
Over five years	(9.1)	8.6	(0.5)	–	–	–
			39.7			(0.7)

Millions of dollars	2022	2021
Non-derivative financial instruments liabilities		
Less than one year	(4,725.0)	(2,286.2)
One to five years	(2,272.2)	(1,037.4)
Over five years	(231.4)	(506.7)
	(7,228.6)	(3,830.3)

Millions of dollars	2022	2021
Lease liabilities		
Within one year	(163.8)	(159.6)
Between one and five years	(777.5)	(547.4)
After five years	(531.4)	(626.4)
	(1,472.7)	(1,333.4)

D3 Capital management

The Group's primary objective when managing capital is to safeguard the ability to continue as a going concern, while delivering on strategic objectives.

The Group's Financial Framework is designed to support the strategic objective of sustainably delivering value and growth for our owners, people and customers. The Framework's key elements are to:

- maintain an optimal capital structure that delivers a competitive cost of capital by holding a level of net debt (including lease liabilities) relative to EBITDA that is consistent with strong investment-grade credit rating;
- deliver Return on Capital Employed (ROCE) that exceeds the weighted average cost of capital; and
- make disciplined capital allocation decisions between investments, debt reduction and distribution of surplus capital to shareholders.

The Group's gearing ratio is calculated as net borrowings divided by total capital. Net debt is a non-statutory measure calculated as total interest-bearing liabilities less cash and cash equivalents. Total capital is calculated as equity as shown on the balance sheet plus net borrowings.

Millions of dollars	2022	2021
Interest-bearing liabilities ⁽ⁱ⁾	2,484.9	1,290.0
Less: cash and cash equivalents	(126.0)	(566.3)
Net borrowings	2,358.9	723.7
Total equity	4,050.1	3,346.8
Total capital	6,409.0	4,070.5
Gearing ratio	36.8%	17.8%

(i) Interest-bearing liabilities excludes liabilities arising under AASB 16 Leases. Refer to note D1.2.

Notes to the Financial Statements

D Capital, funding and risk management continued

FOR THE YEAR ENDED 31 DECEMBER 2022

D4 Fair value of financial assets and liabilities

The Group's accounting policies and disclosures may require the measurement of fair values for both financial and non-financial assets and liabilities. The Group has an established framework for fair value measurement. When measuring the fair value of an asset or a liability, the Group uses market observable data where available.

Fair values are categorised into different levels in a fair value hierarchy based on the following valuation techniques:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The fair value of cash, cash equivalents and non-interest-bearing financial assets and liabilities approximates their carrying value due to their short maturity.

Fair values of recognised financial assets and liabilities with their carrying amounts shown in the balance sheet are as follows:

Millions of dollars		Asset/(Liability)			
	Carrying amount	Fair value total	Quoted market price (Level 1)	Observable inputs (Level 2)	Non-market observable inputs (Level 3)
31 December 2022					
Interest-bearing liabilities					
Bank facilities	(845.3)	(842.6)	–	(842.6)	–
Capital market borrowings	(477.4)	(479.4)	–	(479.4)	–
Subordinated notes	(1,139.7)	(1,299.2)	–	(1,299.2)	–
Derivatives					
Interest rate swaps	42.8	42.8	–	42.8	–
Foreign exchange contracts (forwards, swaps and options)	(6.8)	(6.8)	–	(6.8)	–
Crude and finished product swap, option and futures contracts	0.3	0.3	0.3	–	–
Electricity forwards, futures and option contracts	98.3	98.3	1.0	90.3	7.0
Investments					
Channel infrastructure	64.3	64.3	64.3	–	–
Total	(2,263.5)	(2,422.3)	65.6	(2,494.9)	7.0

Millions of dollars		Asset/(Liability)			
	Carrying amount	Fair value total	Quoted market price (Level 1)	Observable inputs (Level 2)	Non-market observable inputs (Level 3)
31 December 2021					
Interest-bearing liabilities					
Bank facilities ⁽ⁱ⁾	6.8	–	–	–	–
Capital market borrowings	(304.9)	(325.8)	–	(325.8)	–
Subordinated notes	(991.9)	(1,159.1)	–	(1,159.1)	–
Derivatives					
Interest rate swaps	15.5	15.5	–	15.5	–
Foreign exchange contracts (forwards, swaps and options)	(13.3)	(13.3)	–	(13.3)	–
Crude and finished product swap and futures contracts	(55.8)	(55.8)	(69.4)	13.6	–
Total	(1,343.6)	(1,538.5)	(69.4)	(1,469.1)	–

(i) 2021 relates to capitalised borrowing costs recorded at amortised cost on undrawn committed bank facilities.

Notes to the Financial Statements

D Capital, funding and risk management continued

FOR THE YEAR ENDED 31 DECEMBER 2022

D4 Fair value of financial assets and liabilities continued

Estimation of fair values

Interest-bearing liabilities

Bank facilities

The fair value of bank facilities is estimated as the present value of future cash flows using the applicable market rate.

Capital market borrowings and subordinated notes

These are determined by quoted market prices or dealer quotes for similar instruments.

Derivatives

Interest rate swaps

The fair value of interest rate swap contracts is the estimated amount that the Group would receive or pay to terminate the swap at balance date taking into account current interest rates and credit adjustments.

Foreign exchange contracts (forwards, swaps and options)

The fair value of foreign exchange contracts (forwards and swaps) is calculated by reference to current forward exchange rates for contracts with similar maturity profiles as at reporting date. The fair value of foreign exchange options is determined using standard valuation techniques.

Crude and finished product swap, option and futures contracts

The fair value of crude and product swap contracts is calculated by reference to market prices for contracts with similar maturity profiles at reporting date. The fair value of crude and product swap, option and futures contracts is determined by quoted market prices.

Electricity forwards, futures and option contracts

The fair value of electricity derivatives is determined as the present value of future contracted cash flows. Cash flows are discounted using standard valuation techniques at applicable market yield having regard to timing of cash flows.

Investments

Channel Infrastructure

The fair value of listed investments is determined by quoted market prices.

D5 Master netting or similar agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a net amount payable by one party to the other.

The Group purchases and sells petroleum products with a number of counterparties with contractual offsetting arrangements, referred to as "buy sell arrangements".

The following table presents the recognised amounts that are netted, or subject to master netting arrangements but not offset, as at reporting date. The column "Net amount" shows the impact on the Group's consolidated balance sheet if all set-off rights were exercised.

2022

Millions of dollars (Australian dollar equivalent amounts)	Gross amount	Amount offset in the balance sheet	Amount in the balance sheet	Related amount not offset	Net amount
Derivative financial assets	706.4	(440.4)	266.0	(127.0)	139.0
Buy sell arrangements	409.4	(349.4)	60.0	–	60.0
Total financial assets	1,115.8	(789.8)	326.0	(127.0)	199.0
Derivative financial liabilities	(571.8)	440.4	(131.4)	127.0	(4.4)
Buy sell arrangements	(410.1)	349.4	(60.7)	–	(60.7)
Total financial liabilities	(981.9)	789.8	(192.1)	127.0	(65.1)

Notes to the Financial Statements

D Capital, funding and risk management continued

FOR THE YEAR ENDED 31 DECEMBER 2022

D5 Master netting or similar agreements continued

2021

Millions of dollars (Australian dollar equivalent amounts)	Gross amount	Amount offset in the balance sheet	Amount in the balance sheet	Related amount not offset	Net amount
Derivative financial assets	380.5	(309.3)	71.2	(53.7)	17.5
Buy sell arrangements	318.9	(227.7)	91.2	–	91.2
Total financial assets	699.4	(537.0)	162.4	(53.7)	108.7
Derivative financial liabilities	(434.0)	309.3	(124.7)	53.7	(71.0)
Buy sell arrangements	(346.2)	227.7	(118.5)	–	(118.5)
Total financial liabilities	(780.2)	537.0	(243.2)	53.7	(189.5)

D6 Issued capital

Millions of dollars	2022	2021
Ordinary shares		
Shares on issue at beginning of period – fully paid	479.7	502.6
Shares repurchased for cash ⁽ⁱ⁾	–	(22.9)
Shares on issue at end of period – fully paid	479.7	479.7

- (i) No shares have been repurchased in 2022. In the prior period, on 22 January 2021, the Group completed an Off-market Buy-back of 11,404,848 shares at a price of \$26.34 per share which included a capital component of \$2.01 per share. The total amount paid for the buy back was \$300.4 million and the impact of this transaction on the issued share capital of the Company was to reduce it by \$22.9 million with the remainder from retained earnings. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. The number of issued shares post the buy back was 238.3 million. Refer to note B4.

In the event of the winding up of the Group, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation. The Group grants performance rights to Senior Executives; see the Ampol Limited 2022 Annual Report for further detail. For each right that vests, the Group intends to purchase shares on-market following vesting.

Notes to the Financial Statements

D Capital, funding and risk management continued

FOR THE YEAR ENDED 31 DECEMBER 2022

D7 Reserves

Millions of dollars	2022	2021
Foreign currency translation reserve		
Balance at beginning of reporting period	71.4	30.8
Included in other comprehensive income	87.3	40.6
Transfer to retained earnings	(1.6)	–
(Losses) reclassified to profit or loss on disposal of subsidiary	(8.8)	–
Tax included in other comprehensive income	2.6	–
Balance at reporting date	150.9	71.4
Hedging reserve		
Balance at beginning of reporting period	7.4	(5.1)
Included in other comprehensive income	34.4	–
Tax included in other comprehensive income	(12.2)	12.5
Balance at reporting date	29.6	7.4
Equity reserve		
Balance at beginning of reporting period	3.5	–
Acquisition of non-controlling interests	–	3.5
Balance at reporting date	3.5	3.5
Equity compensation reserve		
Balance at beginning of reporting period	(16.8)	(20.1)
Transfer to retained earnings	32.2	–
Included in statement of profit or loss	6.0	3.3
Tax included in other comprehensive income	(11.4)	–
Balance at reporting date	10.0	(16.8)
Investment revaluation reserve		
Balance at beginning of reporting period	–	–
Included in other comprehensive income	15.1	–
Balance at reporting date	15.1	–
Total reserves at reporting date	209.1	65.5

Nature and purpose of reserves

Foreign currency translation reserve

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of operations where their functional currency is different to the presentation currency of the Group, as well as from the translation of liabilities that hedge the Group's net investment in foreign operations.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to future transactions.

Equity reserve

The equity reserve accounts for the differences between the fair value of, and the amounts paid or received for, equity transactions with non-controlling interests.

Equity compensation reserve

The equity compensation reserve is used to recognise the fair value of share-based payments issued to employees over the vesting period, and to recognise the value attributable to the share-based payments during the reporting period.

Investment revaluation reserve

The investment revaluation reserve is used to recognise the fair value change in investment in Channel Infrastructure NZ Limited (formerly The New Zealand Refining Company Limited (Refining NZ)) during the reporting period.

Notes to the Financial Statements

E Taxation

FOR THE YEAR ENDED 31 DECEMBER 2022

This section provides details of the Group's income tax expense, current tax provision and deferred tax balances and the Group's tax accounting policies.

E1 Income tax expense

E1.1 Recognised in the Consolidated Income Statement

Millions of dollars	2022	2021 Restated [^]
Current tax expense		
Current year	(347.6)	(58.8)
Adjustments for prior years	83.8	1.5
Total current tax (expense)	(263.8)	(57.3)
Deferred tax (expense)		
Origination and reversal of temporary differences	82.4	(49.0)
(Utilisation)/recognition of tax losses	–	(82.6)
(Utilisation)/recognition of carry forward tax offsets	–	(1.1)
Adjustments for prior years	23.5	14.2
Total deferred tax (expense)	105.9	(118.5)
Total income tax (expense)	(157.9)	(175.8)

[^] Certain amounts have been re-presented to separately show those operations classified as discontinued in the current year as detailed in note F3 Discontinued operations.

E1.2 Reconciliation between income tax expense and profit before income tax expense

Millions of dollars	2022	2021 Restated [^]
Profit before income tax	936.5	734.4
Income tax (expense) using the domestic corporate tax rate of 30% (2021: 30%)	(280.9)	(220.0)
Effect of tax rates in foreign jurisdictions	137.9	74.2
Change in income tax (expense)/benefit due to:		–
Share of net profit of associated entities	3.3	3.4
Tax on minority interest portion of flow through entity profits	12.3	11.0
Current tax expense associated with depreciable assets in flow through entity	(8.0)	(5.7)
Income subject to attribution under controlled foreign company regime	(118.7)	(51.3)
Capital tax losses utilised for which no deferred tax asset was recognised	–	0.4
Release of tax liability following agreement with ATO on taxation of Singapore entities	110.2	–
Research and development allowances	–	0.3
Other	(11.1)	(3.8)
Income tax over/(under) provided in prior years	(2.9)	15.7
Total income tax (expense)	(157.9)	(175.8)

[^] Certain amounts have been re-presented to separately show those operations classified as discontinued in the current year as detailed in note F3 Discontinued operations.

Income tax expense comprises current tax expense and deferred tax expense. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years. Deferred tax expense represents the changes in temporary differences between the carrying amount of an asset or liability in the consolidated statement of financial position and its tax base.

Notes to the Financial Statements

E Taxation continued

FOR THE YEAR ENDED 31 DECEMBER 2022

E1 Income tax expense continued

Taxation of Singaporean entities

At 31 December 2022, the Australian Taxation Office (ATO) had not finalised its position in relation to the extent to which earnings by the Group's Singaporean entities from transactions with the Group's Australian entities should be subject to corporate income tax in Australia.

Due to uncertainty over the ATO's final position, the Group prima facie recognised tax liabilities for the period 1 January 2014 to 31 December 2022 in relation to these earnings at the Australian corporate income tax rate of 30%, rather than at the rate payable by the Group's Singaporean entities in Singapore.

On 17 February 2023 Ampol reached a final settlement with the ATO in relation to this matter. As a result of the settlement, Ampol has written back current tax liabilities (\$113.6 million) and deferred tax assets (\$3.4 million) recognised between 1 January 2014 and 31 December 2022, with this write-back resulting in a one-off benefit to corporate tax expense in 2022 of \$110.2 million, recognised as a Significant Item. The Group has a remaining current tax liability at 31 December 2022 in relation to the final settlement of \$53.8 million.

E2 Deferred tax

Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

E2.1 Movement in deferred tax

Millions of dollars Asset/(Liability)	Net balance at 1 Jan 22	Acquired from business combination	Discontinued operations	Income	Equity	Net as at 31 December 2022	Deferred tax assets	Deferred tax liabilities
Cash and receivables	8.7	(6.8)	–	(1.7)	0.1	0.3	7.4	(7.1)
Inventories	(15.0)	(38.9)	–	39.7	–	(14.2)	(6.4)	(7.8)
Property, plant and equipment and intangibles	(191.4)	(120.4)	29.7	151.0	(6.9)	(138.0)	(75.0)	(63.0)
Payables	20.2	73.5	–	(38.3)	(11.9)	43.5	3.5	40.0
Interest-bearing liabilities	1.6	(8.4)	–	–	(0.1)	(6.9)	–	(6.9)
Provisions	210.8	30.3	(1.2)	(3.9)	(9.2)	226.8	190.3	36.5
Lease liabilities	298.1	(71.9)	(17.9)	(19.9)	0.6	189.0	261.8	(72.8)
Tax asset recognised on tax losses	1.8	–	–	8.7	0.8	11.3	11.3	–
Other	(11.6)	0.5	–	(29.8)	7.0	(33.9)	(26.8)	(7.1)
Net deferred tax asset	323.2	(142.1)	10.6	105.8	(19.6)	277.9	366.1	(88.2)

Notes to the Financial Statements

E Taxation continued

FOR THE YEAR ENDED 31 DECEMBER 2022

E2 Deferred tax continued

E2.1 Movement in deferred tax continued

Millions of dollars Asset/(Liability)	Net balance at 1 Jan 21	Change in accounting policy ⁽ⁱ⁾	Discontinued operations	Income	Equity/ Balance sheet	Net as at 31 December 2021	Deferred tax assets	Deferred tax liabilities
Cash and receivables	(0.7)	–		9.4	–	8.7	8.7	–
Inventories	8.2	–		(23.2)	–	(15.0)	(6.8)	(8.2)
Property, plant and equipment and intangibles	(166.5)	8.5	(5.0)	(28.4)	–	(191.4)	(159.9)	(31.5)
Payables	30.6	–	–	(5.0)	(5.4)	20.2	20.2	–
Interest-bearing liabilities	3.6	–	–	(2.0)	–	1.6	1.6	–
Provisions	230.0	–	0.2	(18.5)	(0.9)	210.8	209.5	1.3
Lease liabilities	278.3	–	1.5	18.3	–	298.1	280.7	17.4
Tax asset recognised on tax losses	70.9	–	–	(69.1)	–	1.8	1.8	–
Other	(10.3)	–	–	–	(1.3)	(11.6)	(11.6)	–
Net deferred tax asset	444.1	8.5	(3.3)	(118.5)	(7.6)	323.2	344.2	(21.0)

(i) For further information on the adjustment on application of the IFRS Interpretation Committee decision, refer to note A4.

E2.2 Deferred tax recognised directly in equity

Millions of dollars	2022	2021
Related to actuarial gains	–	(1.1)
Related to derivatives	(0.6)	(5.4)
Related to change in fair value of net investment hedges	11.9	–
Related to change in fair value of assets	–	–
Related to foreign operations – foreign currency translation differences	(0.3)	–
Related to share-based payments	11.4	0.2
Related to retained earnings	–	8.5
Ampol Property Trust – Divestment of Minority Interest	(2.9)	–
Acquired from business combination	92.4	–
	111.9	2.2

E2.3 Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which these benefits can be utilised by the Group. These have not been tax effected.

E3 Tax consolidation

Ampol recognises all current tax balances relating to its wholly owned Australian resident entities included in the tax consolidated group (TCG). Ampol, in conjunction with the other members of the TCG, has entered into a tax funding arrangement which sets out the funding obligations of members of the TCG in respect of tax amounts.

Notes to the Financial Statements

F Group structure

FOR THE YEAR ENDED 31 DECEMBER 2022

This section provides information on the Group's structure and how this impacts the results of the Group as a whole, including details of joint arrangements, controlled entities, transactions with non-controlling interests and changes made to the structure during the year.

F1 Controlled entities

Controlled entities are those entities controlled by the Group. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns from its involvement with the entity and through its power over the entity.

The following entities were controlled during 2022:

Name	Note	% Interest	
		2022	2021
Companies	(i)		
ALD Group Holdings NZ Limited	(iv)	–	100
ALD NZ Property Holding Limited		100	100
AmpCharge Pty Ltd	(iii)(xiii)	100	–
Ampol Australia Custodians Pty Ltd	(iii)	100	100
Ampol Australia Energy Pty Ltd	(iii)	100	100
Ampol Australia Management Pty Ltd	(iii)	100	100
Ampol Australia Petroleum Pty Ltd	(iii)	100	100
Ampol Convenience PropCo Pty Ltd	(iii)	100	100
Ampol Energy Pty Ltd	(iii)	100	100
Ampol Energy (Retail) Pty Ltd	(iii)	100	100
Ampol Energy Services Pty Ltd	(iii)	100	100
Ampol Energy (Wholesale) Pty Ltd	(iii)	100	100
Ampol Energy (Wholesale Trading) Pty Ltd	(iii)(xii)	100	–
Ampol Fuel Services Pty Ltd	(iii)	100	100
Ampol Holdings NZ Limited		100	100
Ampol Hydrogen Pty Ltd	(iii)	100	100
Ampol International Holdings Pte Ltd	(ii)	100	100
Ampol LPG Pty Ltd		100	100
Ampol Lubricating Oil Refinery Pty Ltd	(iii)	100	100
Ampol Management Services Pte Ltd	(ii)	100	100
Ampol Petroleum (Qld) Pty Ltd	(iii)	100	100
Ampol Petroleum (Victoria) Pty Ltd	(iii)	100	100
Ampol Petroleum Distributors Pty Ltd	(iii)	100	100
Ampol Petroleum Pty Ltd	(iii)	100	100
Ampol Property (Holdings) Pty Ltd	(iii)	100	100
Ampol Property Manager Pty Ltd		100	100
Ampol Property Manager 2 Pty Ltd		100	100
Ampol QSR Pty Ltd	(iii)(x)	100	–
Ampol Refineries (Matraville) Pty Ltd	(vii)	–	–
Ampol Refineries (NSW) Pty Ltd	(iii)	100	100
Ampol Refineries (Qld) Pty Ltd	(iii)	100	100
Ampol Retail Pty Ltd	(iii)	100	100
Ampol Shipping and Logistics Pte Ltd	(ii)	100	100
Ampol Singapore Trading Pte Ltd	(ii)	100	100
Ampol US Holdings LLC	(vi)	100	100
Ampol US Management Services LLC	(vi)	100	100
Ampol US Trading LLC	(vi)	100	100
B & S Distributors Pty Ltd		100	100
Centipede Holdings Pty Ltd		100	100
Cocks Petroleum Pty Ltd	(xvi)	100	100

Notes to the Financial Statements

F Group structure continued

FOR THE YEAR ENDED 31 DECEMBER 2022

F1 Controlled entities continued

Name	Note	% Interest	
		2022	2021
Cooper & Dysart Pty Ltd		100	100
Flick Energy Ltd	(xi)	95	–
Graham Bailey Pty Ltd	(iii)	100	100
Gull New Zealand Ltd	(iv)	–	100
Hanietee Pty Ltd	(iii)	100	100
Hunter Pipe Line Company Pty Ltd	(iii)	100	100
Jet Fuels Petroleum Distributors Pty Ltd	(iii)	100	100
Link Energy Pty Ltd		100	100
Manworth Pty Ltd		100	100
Newcastle Pipe Line Company Pty Ltd	(iii)	100	100
Northern Marketing Management Pty Ltd	(xix)	100	100
Northern Marketing Pty Ltd	(iii)	100	100
Octane Insurance Pte Ltd	(ii)	100	100
Pilbara Fuels Pty Ltd		100	100
R & T Lubricants Pty Ltd	(xviii)(xix)	100	100
Real FF Pty Ltd	(iii)	100	100
Sky Consolidated Property Pty Ltd		100	100
Solo Oil Australia Pty Limited		100	100
Solo Oil Investments Pty Ltd	(iii)	100	100
Solo Oil Pty Ltd	(iii)	100	100
South East Queensland Fuels Pty Ltd		100	100
Sydney Metropolitan Pipeline Pty Ltd		60	60
Teraco Pty Ltd	(iii)	100	100
Terminals New Zealand Ltd	(iv)	–	100
Votraint No. 370 Pty Ltd		100	100
Western Fuel Distributors Pty Ltd	(xix)	100	100
Zeal Achiever Ltd	(viii)	100	100
Z Energy Limited	(xi)	100	–
Z Energy 2015 Limited	(xi)	100	–
Z Energy ESPP Trustee Limited	(xi)	100	–
Z Energy LTI Trustee Limited	(xi)	100	–
Flick Energy Limited	(xi)(xx)	95	–
Z Partner Limited	(xiv)	100	–
Z Property Manager Limited	(xiv)	100	–
Z General Partner Limited	(xiv)(xvii)	51	–
Z Property Limited Partnership	(xv)	51	–
Ampol Property Trust	(v)	51	51
Ampol Property Trust 2 (formerly known as Ampol Convenience REIT)	(ix)	51	100
Eden Equity Unit Trust		100	100
Petroleum Leasing Unit Trust		100	100
Petroleum Properties Unit Trust		100	100
South East Queensland Fuels Unit Trust		100	100

Notes to the Financial Statements

F Group structure continued

FOR THE YEAR ENDED 31 DECEMBER 2022

F1 Controlled entities continued

- (i) All companies are incorporated in Australia, except where noted otherwise.
- (ii) Incorporated in Singapore.
- (iii) These companies are parties to a Deed of Cross Guarantee dated 22 December 1992 as amended, varied and restated with Ampol and each other.
- (iv) On 27 July 2022, a sale and purchase agreement was entered between GNZ Energy Bidco Limited and ALD Group Holdings NZ Limited (which is the sole shareholder of Gull New Zealand Limited and Terminals New Zealand Limited) divesting Ampol's interest on the same day of completion.
- (v) On 20 November 2020, a Charter Hall and GIC consortium acquired a 49% interest of Ampol Property Trust.
- (vi) Incorporated in Delaware, United States of America.
- (vii) On 15 April 2022, this company was deregistered with ASIC.
- (viii) Australian tax resident incorporated in the British Virgin Islands.
- (ix) On 2 March 2022, a Charter Hall and GIC consortium acquired a 49% interest of Ampol Property Trust 2.
- (x) Incorporated on 21 March 2022.
- (xi) On 10 May 2022, this entity was acquired.
- (xii) Incorporated on 8 June 2022.
- (xiii) Incorporated on 24 August 2022.
- (xiv) Incorporated on 12 August 2022.
- (xv) On 19 August 2022, this partnership was registered.
- (xvi) The directors of the company declared that the company was solvent pursuant to section 494 of the Corporations Act 2001. Its shareholders resolved to wind up the company voluntarily on 20 December 2019.
- (xvii) On 21 October 2022, Bieson Pty Ltd ATF CQR Z Holding Trust acquired a 49% interest of Z General Partner Limited.
- (xviii) On 1 December 2022, an Opt-out Notice was executed regarding financial reporting obligations.
- (xix) On 7 December 2022, the directors of the company declared that the company was solvent pursuant to section 494 of the Corporations Act 2001. Its shareholder resolved to wind up the company voluntarily on 8 December 2022.
- (xx) On 21 December 2022, Z Energy Limited's shareholding increased from 83% to 95%.

Notes to the Financial Statements

F Group structure continued

FOR THE YEAR ENDED 31 DECEMBER 2022

F1 Controlled entities continued

F1.1 Deed of Cross Guarantee

The parent entity has entered into a Deed of Cross Guarantee through which the Group guarantees the debts of certain controlled entities. The controlled entities that are party to the deed are shown in note F1.

Consolidated Income Statement for entities covered by the Deed of Cross Guarantee

Millions of dollars	2022	2021
Revenue	27,350.0	15,799.2
Cost of goods sold – historical cost	(25,292.9)	(14,114.8)
Gross profit	2,057.1	1,684.4
Other income	107.9	53.7
Other expense	(22.6)	(50.4)
Selling, distribution and general and administration expenses	(1,498.0)	(1,272.2)
Results from operating activities	644.4	415.5
Finance costs	(88.9)	(113.1)
Finance income	0.9	0.4
Net finance costs	(88.0)	(112.7)
Share of net profit of entities accounted for using the equity method	9.2	11.3
Profit before income tax expense	565.6	314.1
Income tax expense	(151.1)	(135.1)
Net profit	414.5	179.0
Items that will not be reclassified to profit or loss	(1.3)	2.4
Items that may be reclassified subsequently to profit or loss	17.0	12.5
Other comprehensive income for the period, net of income tax	15.7	14.9
Total comprehensive income for the period	430.2	193.9
Retained earnings at the beginning of the year	2,219.8	2,493.2
Acquired minority interest included in Deed of Cross Guarantee ⁽ⁱ⁾	–	1.4
Current year earnings	414.5	179.0
Movement in reserves	(41.1)	2.4
Shares bought back	–	(277.5)
Dividends provided for or paid	(383.6)	(178.7)
Retained earnings at the end of the year	2,209.6	2,219.8

(i) On 4 November 2021, Teraco Pty Ltd became wholly owned.

Notes to the Financial Statements

F Group structure continued

FOR THE YEAR ENDED 31 DECEMBER 2022

F1 Controlled entities continued

F1.1 Deed of Cross Guarantee continued

Consolidated Balance Sheet for entities covered by the Deed of Cross Guarantee

Millions of dollars	2022	2021
Current assets		
Cash and cash equivalents	84.2	407.6
Trade and other receivables	1,290.3	1,136.7
Inventories	1,596.1	1,150.6
Total current assets	2,970.6	2,694.9
Non-current assets		
Trade and other receivables	945.6	730.0
Investments accounted for using the equity method	241.1	184.0
Ampol Property Trust investment	793.4	734.8
Property, plant and equipment	2,134.6	1,994.7
Right-of-use assets	727.8	788.4
Intangibles	250.1	246.4
Deferred tax assets	373.0	365.2
Employee benefits	3.7	5.6
Total non-current assets	5,469.3	5,049.1
Total assets	8,439.9	7,744.0
Current liabilities		
Payables	2,189.9	1,936.9
Interest-bearing liabilities	252.2	–
Lease liabilities	146.0	159.6
Current tax liabilities	171.9	199.1
Employee benefits	128.1	129.8
Provisions	63.2	95.5
Total current liabilities	2,951.3	2,520.9
Non-current liabilities		
Payables	46.5	12.8
Interest-bearing liabilities	1,502.9	1,275.7
Lease liabilities	714.2	750.2
Deferred tax liabilities	14.1	21.0
Employee benefits	5.3	5.1
Provisions	480.4	464.9
Total non-current liabilities	2,763.4	2,529.7
Total liabilities	5,714.7	5,050.6
Net assets	2,725.2	2,693.4
Equity		
Issued capital	479.7	479.7
Treasury stock	(2.8)	(1.5)
Reserves	38.7	(4.6)
Retained earnings	2,209.6	2,219.8
Total equity	2,725.2	2,693.4

Notes to the Financial Statements

F Group structure continued

FOR THE YEAR ENDED 31 DECEMBER 2022

F2 Business combinations

On 10 May 2022, Ampol Holdings NZ Limited, a wholly owned subsidiary of Ampol Limited, acquired 100% of the issued capital of Z Energy Limited (Z Energy). Z Energy is the largest fuel distributor in New Zealand, supplying fuel to retail customers and large commercial customers (airlines, trucking companies, shipping companies and vehicle fleet operators), and providing bitumen to roading contractors. The acquisition of Z Energy enhances Ampol's core business, expands the international portfolio and provides a stronger platform for Ampol to evolve the future energy offer for its customers. The acquisition has been accounted for as a Business Combination under AASB 3.

Acquisition accounting has been updated in the current reporting period. The most material changes from the balance sheet provided at 30 June 2022 relate to the valuation of intangible assets and property, plant and equipment acquired. The difference between the purchase price and fair values of the identifiable net assets has been recognised as goodwill.

If new information is obtained within the twelve months from acquisition date about facts and circumstances that existed at the acquisition date which identify adjustments to fair values; or any additional provisions that existed at the acquisition date; then the accounting for the acquisition, including the value of goodwill, will be revised.

The fair values of the identifiable assets and liabilities acquired are as follows:

Millions of dollars	Fair value
Cash and cash equivalents	111.1
Trade and other receivables	530.8
Inventories	778.7
Investments accounted for using the equity method	82.3
Intangibles	245.7
Emission Trading Units	889.5
Property, plant and equipment	1,147.4
Payables	(685.1)
Emission Trading Obligation	(632.6)
Lease liabilities	(267.1)
Current tax liabilities	(108.4)
Provisions	(99.4)
Interest-bearing liabilities	(543.2)
Deferred tax liabilities	(142.1)
Net assets acquired	1,307.6
Goodwill	477.5
Acquisition-date fair value of the total consideration transferred	1,785.1
Cash used to acquire business:	
Acquisition-date fair value of the total consideration transferred	1,785.1
Net cash used	1,674.0

The Group incurred acquisition-related costs of \$29.1 million relating to external legal fees and due diligence costs. These costs have been included in general and administration expenses in the consolidated statement of profit or loss.

Notes to the Financial Statements

F Group structure continued

FOR THE YEAR ENDED 31 DECEMBER 2022

F3 Discontinued operations

On 27 July 2022, the Group sold its Gull business in New Zealand (Gull) to a transaction vehicle entity of Allegro Funds Pty Ltd (Allegro) for a consideration of \$471 million and realised a gain on sale of \$46.6 million and incurred transaction costs of \$8.0 million.

The results of the discontinued operation included in the profit for the year is set out below. The comparative profit from discontinued operations has been re-presented to include those operations classified as discontinued in the current year.

Discontinued operations (millions of dollars)	Note	27 July 2022	31 December 2021
Revenue		616.7	747.2
Expenses		(570.3)	(676.5)
Net finance costs		(5.0)	(8.0)
Profit before tax before gain on sale of discontinued operations	B3.2	41.4	62.7
Gain on sale of discontinued operations		38.6	–
Profit before tax		80.0	62.7
Income tax (expense) from sale of discontinued operations		(11.6)	(23.8)
Income tax (expense) on gain on sale of discontinued operations		–	–
Net profit from discontinued operations		68.4	38.9

Reconciliation of gain on sale is as follow:

Millions of dollars	27 July 2022
Total consideration	470.9
Transaction costs	(8.0)
Net assets disposed	(415.5)
Reserves reclassified to profit and loss on sale	(8.8)
Gain on sale before income tax expense	38.6

Net assets disposed are as follows:

Millions of dollars	27 July 2022
Cash and cash equivalents	4.5
Trade and other receivables	13.3
Inventories	132.4
Intangibles	244.3
Property, plant and equipment	169.0
Payables	(76.5)
Lease liabilities	(51.3)
Current tax liabilities	(5.6)
Deferred tax liabilities	(10.1)
Provisions	(4.5)
Net assets of disposal group	415.5

Notes to the Financial Statements

F Group structure continued

FOR THE YEAR ENDED 31 DECEMBER 2022

F4 Investments accounted for in Other Comprehensive Income

Channel Infrastructure NZ Limited (formerly The New Zealand Refining Company Limited (Refining NZ)) is an import fuel terminal.

The investment was acquired when the Group acquired Z Energy limited in May 2022 and is recognised at fair value, the NZX listed share price at 31 December 2022 with changes to fair value accounted for in other comprehensive income. The carrying amount at 31 December 2022 is \$64.3 million (2021: \$nil) with \$15.1 million (2021: \$nil) of fair value gain recognised in Other Comprehensive Income.

Name	Country of incorporation	% Interest	
		31 December 2022	31 December 2021
Channel Infrastructure NZ Limited	New Zealand	13	–

F5 Equity-accounted investees

Associates are those entities over whose financial and operating policies the Group has significant influence, but not control. Joint ventures are those entities whose financial and operating policies the Group has joint control over and where the Group has rights to the net assets of the entity.

The Consolidated Financial Statements include the Group's share of the total recognised gains and losses of associates and joint ventures on an equity-accounted basis, from the date that significant influence or joint control commences until the date that it ceases. When the Group's share of losses exceeds the carrying amount of the associate or joint venture, the carrying amount is reduced to nil and recognition of future losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Other movements in reserves are recognised directly in the consolidated reserves.

Unrealised gains arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in the entity. Unrealised losses arising from transactions with associates and joint ventures are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

F5.1 Investments

		% Interest	
Name	Country of incorporation	31 December 2022	31 December 2021
Investments in associates			
Bonney Energy Group Pty Ltd	Australia	50	50
Coastal Oil Logistics Limited ⁽ⁱ⁾	New Zealand	50	–
Endua Pty Ltd	Australia	20	20
EVOS Technology Pty Ltd ⁽ⁱⁱ⁾	Australia	30.4	–
Geraldton Fuel Company Pty Ltd	Australia	50	50
Seaoil Philippines Inc.	Philippines	20	20
Drylandcarbon One Limited Partnership ⁽ⁱⁱⁱ⁾	New Zealand	37	–
Mevo Limited ^(iv)	New Zealand	32	–
Loyalty NZ Limited ⁽ⁱⁱⁱ⁾	New Zealand	25	–
Wiri Oil Services Limited (WOSL) ⁽ⁱⁱⁱ⁾	New Zealand	44	–
Forest Partners Limited Partnership ⁽ⁱⁱⁱ⁾	New Zealand	21	–
Investments in joint ventures			
Airport Fuel Services Pty Limited	Australia	40	40
Australasian Lubricants Manufacturing Company Pty Ltd ^(iv)	Australia	50	50
Cairns Airport Refuelling Service Pty Ltd	Australia	33.3	33.3

(i) On 25 August 2022, the liquidation of Coastal Oil Logistics Limited was commenced.

(ii) On 8 June 2021, Ampol Energy Pty Ltd acquired rights in EVOS Technology Pty Ltd whereby Ampol has the right to shares in EVOS. On 29 December 2022, Ampol Energy Pty Ltd exercised its rights resulting in a current 30.4% interest in EVOS Technology Pty Ltd.

(iii) On 10 May 2022, the Group acquired Z Energy Limited and its corresponding investments.

(iv) Australasian Lubricants Manufacturing Company Pty Ltd ceased joint venture operations on 17 April 2015 and had a nil carrying value at 31 December 2022.

Notes to the Financial Statements

F Group structure continued

FOR THE YEAR ENDED 31 DECEMBER 2022

F5 Equity-accounted investees continued

F5.2 Investments in associates

Millions of dollars	Revenue (100%)	Profit (100%)	Share of associates' net profit recognised	Net assets as reported by associates (100%)	Share of associates net assets equity accounted	Elimination of unrealised loss in inventories	Goodwill	Other movements	Total share of associates' net assets equity accounted ⁽ⁱ⁾
2022	4,043.4	34.1	14.5	499.5	141.4	(0.3)	114.3	(15.1)	240.3
2021	1,979.3	42.7	11.4	314.9	84.9	–	110.2	(11.8)	183.3

(i) Total shares of associates' net assets equity accounted adjusted for \$11.8 million (2021: \$11.8 million) cash injection on Seoil Philippines, Inc.

F5.3 Investments in joint ventures

Millions of dollars	Revenue (100%)	Profit (100%)	Share of joint ventures' net profit recognised	Total assets (100%)	Total liabilities (100%)	Net assets as reported by joint venture (100%)	Share of joint ventures' net assets equity accounted
2022	0.4	(0.1)	–	1.5	–	1.5	0.8
2021	–	(0.4)	(0.1)	2.0	0.2	1.8	0.7

F6 Joint operations

Joint operations are those entities over whose financial and operating policies the Group has joint control, and where the Group has rights to the assets and obligations for the liabilities of the entity.

The interests of the Group in unincorporated joint operations are brought to account by recognising in its Financial Statements the assets it controls and the liabilities it incurs, and the revenue and expenses it incurs and share of income it earns from the sale of goods or services by the joint operation.

The Group has joint interests in multiple Joint User Hydrant Installations (JUHLs), which are based at airports across Australia. The Group's interest in the JUHLs ranges from 20% to 50%. The principal activity of the JUHLs is refuelling aircraft at the airports.

For the year ended 31 December 2022 the contribution of the JUHLs to the operating profit of the Group was nil (2021: nil). Included in the assets and liabilities of the Group are the Group's interests in the assets and liabilities employed in the joint operation.

Millions of dollars	2022	2021
Non-current assets		
Plant and equipment	78.7	63.5
Less: accumulated depreciation	(30.1)	(24.5)
Total non-current assets	48.6	39.0
Total assets	48.6	39.0

Notes to the Financial Statements

F Group structure continued

FOR THE YEAR ENDED 31 DECEMBER 2022

F7 Parent entity disclosures

As at and throughout the financial year ended 31 December 2022, the parent entity of the Group was Ampol Limited.

Millions of dollars	2022	2021
Result of the parent entity		
Profit for the period	942.2	820.9
Other comprehensive income	105.7	18.3
Total comprehensive income for the period	1,047.9	839.2
Financial position of parent entity at year end		
Current assets	62.5	34.4
Total assets	4,966.1	5,453.3
Current liabilities	198.3	109.4
Total liabilities	3,828.6	4,841.5
Total equity of the parent entity comprising		
Issued capital	479.7	479.7
Treasury stock	(2.8)	(1.5)
Reserves	43.7	(2.5)
Retained earnings	616.9	136.1
Total equity	1,137.5	611.8

Parent entity guarantees in respect of the debts of its subsidiaries

The parent entity has entered into a Deed of Cross Guarantee with the effect that each company agrees to guarantee all of the debts (in full) of all companies that are parties to the deed subject to, and in accordance with, the terms set out in the deed.

Further details of the Deed of Cross Guarantee and the subsidiaries subject to the deed are disclosed in note F1.

The bank guarantee and letter of credit arrangements provided by the parent entity are consistent with those held by the Group as disclosed in note G2.

Notes to the Financial Statements

F Group structure continued

FOR THE YEAR ENDED 31 DECEMBER 2022

F8 Non-controlling interest disclosures

Presented below is the financial information of the Group relating to subsidiaries of the Group that have non-controlling interests (NCI) which are material to the Group. The information below is before the elimination of intercompany transactions with the exception of the fair value adjustment that the subsidiaries recorded in relation to the investment properties acquired. This fair value adjustment is not recognised in the Consolidated Group accounts and is therefore not reflected in the Net assets attributable to NCI shown in the Consolidated Financial Statements.

Millions of dollars	Profit attributable to NCI	
	2022	2021
Ampol Property Trust	37.9	36.9
Ampol Property Trust 2	0.3	–
Z Property Limited Partnership	1.3	–
Flick Energy Limited	8.6	–
Other non-controlling interests	3.0	0.6
Total profit attributable to NCI	51.1	37.5

Millions of dollars	Ampol Property Trust		Ampol Property Trust 2	
	2022	2021	2022	2021
NCI percentage	49%	49%	49%	
Balance sheet				
Current assets	0.9	18.4	0.1	–
Non-current assets	497.7	516.7	49.9	–
Current liabilities	(0.9)	(0.8)	(0.1)	–
Non-current liabilities	–	–	–	–
Net assets attributable to unit holders	497.7	534.3	49.9	–
Net assets attributable to NCI	243.9	261.8	24.5	–
Income Statement				
Revenue	93.2	92.9	5.4	–
Expenses	(15.9)	(17.6)	(4.7)	–
Total comprehensive income for the year	77.3	75.3	0.7	–
Profit attributable to NCI	37.9	36.9	0.3	–
Statement of cash flows				
Cash flows from operating activities	79.6	83.0	4.3	–
Cash flows from investing activities	–	(12.2)	(61.0)	–
Cash flows from financing activities	(79.5)	(70.0)	56.9	–
Net increase in cash held	0.1	0.8	0.2	–
Transactions with non-controlling interests				
Ampol Property Trust				
Profit attributable to NCI	37.9	36.9	0.3	–
Distributions paid	(39.0)	(40.3)	(2.1)	–
Proceeds from purchase of units in Ampol Property Trust	–	6.0	55.1	–
Net assets attributable to NCI	(1.1)	2.6	53.3	–

Notes to the Financial Statements

F Group structure continued

FOR THE YEAR ENDED 31 DECEMBER 2022

F8 Non-controlling interest disclosures continued

Millions of dollars	Z Property Limited Partnership		Flick Energy Limited	
	2022	2021	2022	2021
NCI percentage	49%		5%	
Balance sheet				
Current assets	–	–	36.5	–
Non-current assets	252.1	–	75.9	–
Current liabilities	–	–	(5.6)	–
Non-current liabilities	–	–	(28.1)	–
Net assets attributable to unit holders	252.1	–	78.7	–
Net assets attributable to NCI	123.5	–	3.9	–
Income Statement				
Revenue	3.6	–	106.7	–
Expenses	(0.9)	–	(59.6)	–
Total comprehensive income for the year	2.7	–	47.1	–
Profit attributable to NCI	1.3	–	8.6	–
Statement of cash flows				
Cash flows from operating activities	2.7	–	(5.3)	–
Cash flows from investing activities	(121.9)	–	(0.7)	–
Cash flows from financing activities	119.4	–	9.3	–
Net increase in cash held	0.2	–	3.3	–
Transactions with non-controlling interests				
Ampol Property Trust				
Profit attributable to NCI	1.3	–	8.6	–
Distributions paid	(1.2)	–	–	–
Proceeds from purchase of units in Z Property Limited Partnership	119.5	–	–	–
Net assets attributable to NCI	119.6	–	8.6	–

Millions of dollars	Other non-controlling interests	
	2022	2021
Profit attributable to NCI	3.0	0.6
Distributions paid	(1.6)	(1.2)
Acquisition of minority interest, net of tax	–	(3.5)
Net assets attributable to other NCI	1.4	(4.1)

Notes to the Financial Statements

G Other information

FOR THE YEAR ENDED 31 DECEMBER 2022

This section includes other information to assist in understanding the financial performance and position of the Group, or items to be disclosed to comply with accounting standards and other pronouncements.

G1 Commitments

Capital expenditure

Millions of dollars	2022	2021
Capital expenditure contracted but not provided for in the financial report and payable	44.9	23.0

On 25 August 2020, Ampol announced, after successfully applying to a tender with Transport for New South Wales that Ampol had won the right to lease and redevelop four existing highway service centres located on the M4 Motorway at Eastern Creek and on the M31 Hume Highway at Pheasants Nest. DA approval was obtained for Pheasants Nest in the current period and contract works begun in 2022 and expected to be completed mid-2023. The Eastern Creek project delivery agreement was executed on 18 May 2022 and development approval was submitted on 22 June 2022 and is still pending. The estimated combined redevelopment capital expenditure of ~\$120 million is expected to be contracted and spent in the periods covering 2022 to 2024 with \$36m spent to date.

G2 Contingent liabilities

Discussed below are items where either it is not probable that the Group will have to make future payments, or the amounts of the future payments are not able to be reliably measured.

Legal and other claims

In the ordinary course of business, the Group is involved as a plaintiff or defendant in legal proceedings. Where appropriate, Ampol takes legal advice. The Group does not consider that the outcome of any current proceedings is likely to have a material effect on its operations or financial position.

A liability has been recognised for any known losses expected to be incurred where such losses are capable of reliable measurement.

Bank guarantees

The Group has entered into letters of credit in the normal course of business to support crude and product purchase commitments and other arrangements entered into with third parties. In addition, the Group has granted indemnities to banks to cover bank guarantees given on behalf of controlled entities. The probability of having to make a payment under these arrangements is remote.

Deed of Cross Guarantee and class order relief

Details of the Deed of Cross Guarantee are disclosed in note F1.

G3 Related party disclosures

Associates

Associate related party transactions are as follows:

Millions of dollars	2022	2021
Income Statement		
Sale of goods and services, net of excise	2,684.9	1,165.0
Rental income	7.1	2.1
Purchase of goods and services	(105.5)	–
Dividend and disbursements	2.8	2.1
Total Income Statement impact	2,589.3	1,169.2
Balance sheet		
Receivables	134.8	75.2
Total Balance Sheet impact	134.8	75.2

The Group has interests in associates primarily for the marketing, sale and distribution of fuel products. Details of the Group's interests are set out in note F5.

Joint venture and joint operations

The Group has interests in joint arrangements primarily for the marketing, sale and distribution of fuel products.

There were no other material related party transactions with the Group's joint arrangements entities during 2022 (2021: \$nil). Details of the Group's interests are set out in notes F5 and F6.

Notes to the Financial Statements

G Other information continued

FOR THE YEAR ENDED 31 DECEMBER 2022

G4 Key Management Personnel

The aggregate remuneration of Key Management Personnel of the Group during 2022 and 2021 were:

Key Management Personnel compensation

Thousands of dollars	2022	2021
Short-term benefits	12,384.8	10,543.8
Other long-term benefits	124.4	117.0
Retirement benefits	861.3	–
Post-employment benefits	481.3	622.1
Retention payments	842.3	531.0
Share-based payments	3,994.4	2,775.5
Total Key Management Personnel compensation	18,688.5	14,589.4

Information regarding Directors' and Executives' compensation and some equity instrument disclosures is provided in the Remuneration Report section of the Directors' Report.

G5 Notes to the cash flow statement

G5.1 Reconciliation of cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Consolidated Cash Flow Statement.

For the purposes of the Consolidated Cash Flow Statement, cash and cash equivalents includes:

Millions of dollars	2022	2021
Cash at bank	106.7	566.3
Cash on hand	21.3	–
Cash in-transit	(2.0)	–
Total cash and cash equivalents	126.0	566.3
Bank overdraft	(22.5)	–
Net cash and cash equivalents	103.5	566.3

Notes to the Financial Statements

G Other information continued

FOR THE YEAR ENDED 31 DECEMBER 2022

G5 Notes to the cash flow statement continued

G5.2 Reconciliation of net profit to net operating cash flows

Millions of dollars	2022	2021
Net profit	847.0	597.5
Adjustments for:		
(Gain)/loss on sale of property, plant and equipment	(51.9)	2.7
Increase in asset restoration obligation provision	26.7	–
Impairment of fixed assets	10.8	19.7
Impairment reversal of fixed assets	(21.8)	(9.0)
Impairment of information technology assets	–	24.5
Finance charges on leases	68.9	54.9
Interest paid capitalised	–	(0.1)
Amortisation of finance costs	10.4	4.0
Depreciation of property, plant and equipment	411.1	363.9
Amortisation of intangibles	38.3	17.1
Share based payment and treasury stock reserve movements net of expense	25.6	3.4
Share of associates' and joint ventures' net profit	(14.5)	(11.3)
(Increase)/decrease in receivables	(546.7)	(635.6)
(Increase)/decrease in investments	(39.1)	–
(Increase)/decrease in inventories	(882.8)	(710.6)
(Increase)/decrease in intangibles	103.2	–
Increase/(decrease) in payables	1,389.6	961.6
Increase/(decrease) in current tax balances	33.6	38.9
Decrease/(increase) in net deferred tax assets	(27.0)	120.9
(Decrease)/increase in provisions	(21.7)	(65.0)
Finance cost paid	(137.3)	(49.8)
Lease interest paid	(68.9)	(54.9)
Income taxes paid	(244.3)	(38.2)
Net operating cash inflows	909.2	634.6

Notes to the Financial Statements

G Other information continued

FOR THE YEAR ENDED 31 DECEMBER 2022

G6 Auditor remuneration

Thousands of dollars	2022	2021
Audit and review services		
Auditors of the Group – KPMG		
Audit and review of financial statements – Group ⁽ⁱ⁾	1,467.0	1,788.0
Audit and review of financial statements – controlled entities	785.0	308.0
	2,252.0	2,096.0
Assurance services		
Auditors of the Group – KPMG		
Regulatory assurance services	100.0	100.0
Other assurance services	119.0	48.5
	219.0	148.5
Other services		
Auditors of the Group – KPMG		
Taxation advice and tax compliance services	–	17.4
Other services	5.0	–
	5.0	17.4

(i) The 2021 audit fee includes one off audit work in respect of the impact of COVID-19 on financial statement balances.

G7 Net tangible assets per share

Millions of dollars	2022	2021
Net tangible assets per share	8.53	10.78

Net tangible assets are net assets attributable to members of the Group less intangible assets. The number of ordinary shares used in the calculation of net tangible assets per share was 238.3 million (2021: 238.3 million).

G8 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2023, and have not been applied in preparing these Consolidated Financial Statements. None of these are expected to have a significant effect on the Consolidated Financial Statements of the Group.

G9 Events subsequent to the reporting date

Dividend

On 20 February 2023, the Directors declared fully franked final and special dividends Refer to note B5 for further information.

Taxation of Singapore entities

On 17 February 2023, the Australian Tax Office finalised its position in relation to the extent to which earnings by the Group's Singaporean entities from transactions with the Group's Australian entities are taxable. The transaction resulted in a provision release of \$110.2 million.

Other

There were no other items, transactions or events of a material or unusual nature that, in the opinion of the Board, are likely to significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group that have arisen in the period from 31 December 2022 to the date of this report.

Shareholder Information

As at 26 January 2023

Share capital

There are 238,302,099 fully paid ordinary shares on issue, held by 29,421 holders.

Holders with less than a marketable parcel

600 shareholders hold less than a marketable parcel of \$500 based on a share price of \$30.61 per share.

Shares purchased on-market

From 1 January 2022, 26,194 fully paid ordinary shares were purchased on-market at an average cost of \$30.58 per share for the purpose of the Ampol Limited Employee Share Plan.

From 1 January 2022, 190,584 fully paid ordinary shares were purchased on-market at an average cost of \$29.81 per share for the purpose of the Ampol Limited Equity Incentive Plan.

Substantial shareholders

Substantial shareholder	Number of shares held	% of issued capital
Australian Super	30,091,097	12.63
State Street Corporation	17,969,834	7.54
BlackRock Inc	15,319,070	6.13
Vanguard Group	12,110,687	5.08
Airlie Funds Mgt	11,940,652	5.01

Substantial shareholders and the number of shares held are based on their last substantial holder notice.

Shareholder distribution

Range	Total holders	Units	% of issued capital
1 – 1,000	23,075	8,226,097	3.45
1,001 – 5,000	5,606	11,876,411	4.98
5,001 – 10,000	503	3,616,015	1.52
10,001 – 100,000	208	4,945,107	2.08
Over 100,001	29	209,638,469	87.97
Total	29,421	238,302,099	100.00

Top 20 shareholders

Details of the 20 largest shareholders of Ampol Limited are listed in the below table.

Rank	Shareholders	Number of shares held	% of issued shares
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	76,928,379	32.28
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	64,576,822	27.10
3	CITICORP NOMINEES PTY LIMITED	32,773,124	13.75
4	NATIONAL NOMINEES LIMITED	11,635,669	4.88
5	BNP PARIBAS NOMS PTY LTD <DRP>	5,734,309	2.41
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	5,703,844	2.39
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	2,270,148	0.95
8	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	1,720,086	0.72
9	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	1,636,906	0.69
10	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	1,213,528	0.51
11	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	622,281	0.26
12	MUTUAL TRUST PTY LTD	572,506	0.24
13	BNP PARIBAS NOMS (NZ) LTD <DRP>	571,678	0.24
14	WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	462,241	0.19
15	CITICORP NOMINEES PTY LIMITED <CITIBANK NY ADR DEP A/C>	387,546	0.16
16	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	338,577	0.14
17	ECAPITAL NOMINEES PTY LIMITED <ACCUMULATION A/C>	324,000	0.14
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <EUROCLEAR BANK SA NV A/C>	264,914	0.11
19	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	250,447	0.11
20	UBS NOMINEES PTY LTD	239,609	0.10
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		208,226,614	87.38
Total remaining holders balance		30,075,485	12.62

Voting rights

Shareholders in Ampol Limited have a right to attend and vote at all general meetings in accordance with the Company's Constitution, the *Corporations Act 2001* (Cth) and the ASX Listing Rules.

Corporate Governance Statement

A copy of the Corporate Governance Statement can be found on our website. Visit: www.ampol.com.au

Australian Securities Exchange and New Zealand Exchange

The Company's fully paid ordinary shares (ASX/NZX:ALD) are listed on the Australian Securities Exchange and the New Zealand Exchange.

Company secretary

Faith Taylor is appointed as Company Secretary of Ampol Limited.

Directory

Registered office

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