

2019 Sustainability Report



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2019 Sustainability Report

Caltex Australia limited

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Message from the CEO and Managing Director and Safety and Sustainability Committee Chair

Message from the CEO and Managing Director and Safety and Sustainability Committee Chair

We recognise that sustainability is integral to our business strategy and essential to our long term success and we acknowledge that acting responsibly will make our business more resilient.

Since the release of our first Sustainability Report last year, we have made good progress and are building the internal processes to enhance our understanding and management of sustainability risks and opportunities. We are making sustainability part of our corporate culture by incorporating it into our strategic and business planning processes and shaping our strategy in a way that delivers long-term value for our shareholders, customers and the community.

Safety

Nothing is more important than the safety of our people, customers and communities. We are disappointed that our 2019 safety performance did not meet the standards we set ourselves. While we reduced the severity of personal safety incidents, the number of recordable injuries and days away from work both increased.

We know we have more to do to make our workplace safer. In the year ahead we will deliver targeted programs focusing on reducing the major causes of our workplace injuries, with these being repetitive and high muscle load manual tasks along with slips, trips and falls. We will also be improving communication to our teams to raise personal awareness of safety hazards and increase the presence of our leaders in the field to reinforce

the right safety behaviours and to receive feedback from our frontline teams.

Climate change and the energy transition

Climate change is a priority for us. Through our refreshed enterprise risk management framework, the Board is actively engaged in the governance of how we understand and manage the opportunities and risks climate change presents. This includes ensuring we have the right strategy in place and are taking the right actions to future-proof our business for the longer-term.

We are committed to implementing the recommendations of the Task Force of Climate-related Financial Disclosures (TCFD). Our focus in 2019 has been on testing our operations and strategy against the assumptions for three climate futures including the International Energy Agency's (IEA) New Policies (2°C) and Current Policies (above 3°C) scenarios and the Intergovernmental Panel on Climate Change (IPCC) 1.5°C scenario.

In the year ahead we will be preparing an energy transition strategy that is focused on business portfolio diversification opportunities including alternative fuels and the broader energy sector. This includes actively exploring a range of alternative fuels, such as bio jet, biofuels, compressed natural gas, liquified natural gas and hydrogen.

More broadly, we know we have a responsibility to help meet the challenge climate change presents. We are committed to playing our role in meeting our customers' evolving yet growing energy needs, and doing so in a way that supports the Paris Agreement goals.



Julian Segal and
Penny Winn





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Message from the CEO and Managing Director and Safety and Sustainability Committee Chair



Protecting the environment

This year we refreshed our Environmental Policy and prepared a group-wide environmental governance framework with the objective of aligning all our business operations with the ISO14001:2015 standard. We remain focused on managing and mitigating impacts through the integration of environmental management into our operational culture. While we recorded no major spills during the reporting period, we had an increase in the overall number of spills against our high standards. We have investigated the cause of these spills and developed improvement plans for specific areas of our operations.

We have commenced remediation of the Kurnell site, as part of its conversion from a refinery to an import terminal. We are using innovative approaches to remediation including on-site bioremediation and removal of soil offsite to a thermal treatment facility where the material can then be reused.

Supporting communities

We are proud of the economic contribution we make to Australia and the support we provide to communities. Through the Caltex Foundation, we have invested \$3.14 million through direct investment, sponsorships, donations and our people volunteering in the community.

Our thoughts are with the many Australians impacted by the devastating bushfires in 2019 and into early 2020. During these difficult times, we have been privileged to support the work of emergency services and coordinate fuel supply where it is needed. In addition, we have contributed to relief efforts including raising funds through our retail network and employee giving program and donating StarCash to the NSW Rural Fire Service.

Looking forward

The Board together with Caltex's management team remains committed to sustainability. While we recognise there is more we need to do, we are committed to continuing to challenge ourselves and safeguard our long-term success.



WE COMMEND THIS REPORT
TO YOU AND WELCOME
YOUR FEEDBACK TO
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Our Sustainability Strategy



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2019 Key Performance Measures

Creating long-term value for our customers, shareholders, communities and our people.



Keeping our people safe and protecting the environment

PERSONAL SAFETY



10.7

Total Recordable Injury Frequency Rate¹



14.0

3.8
Days Away from Work Injury Frequency Rate²

ENVIRONMENT

0

major spills (>8000L)

5

minor spills (>160L<8000L)

3

marine spills (any volume)



Fuels & Infrastructure



Convenience Retail



Contributing to our communities

\$3.14^M

Community investment contributions via Caltex Foundation³



Supporting bushfire and drought relief for affected communities

\$20,389^M

spend with suppliers

\$7.5^B

taxes paid 2018 (reported in December 2019)



Engaging our people

7,644

Employees (headcount)

37.4%

Women in leadership roles

<1%

Gender pay equity ratio

\$527^M

Paid to employees

82%

Employee engagement score



Delivering sustained value for our shareholders

\$239^M

returned to shareholders⁴

83

cents dividend per share

1. 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.
2. 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.
3. Total community investment value includes management costs and additional contributions to the community including employee volunteering.



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Our Approach to Sustainability and Reporting

Our corporate strategy strives to deliver everyday convenience to our customers, expand into international markets and evolve with our customer's energy needs.

In executing our corporate strategy, we recognise that we need to take a responsible and long-term view to delivering enduring value for our customers, shareholders, the community and our people. Our approach involves making sustainability core to decision-making at all levels in our business, and in a way that balances environmental, social and governance aspects with our broader strategic objectives.

2019 – 2021 Sustainability Strategy

During the year we have undertaken a materiality assessment to make sure we are focusing on the current and emerging risks and opportunities that are shaping our business and are of importance to our key stakeholders. In considering these risks and opportunities, in 2019 we prepared a three-year Sustainability Strategy, which informs and is an integral part of our broader corporate strategy. We have defined sustainability across four pillars.





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UN Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) seek to address the most significant challenges our world is facing today and we believe businesses have an important role to play in helping to achieve the SDGs. We have mapped the SDG framework against our sustainability strategy and broader corporate strategy and identified six goals where we feel we can make the most meaningful impact. Refer to Appendix A where we outline the positive contribution we have made in 2019, together with actions we are taking to mitigate impact.

Sustainability governance

We believe that adopting a high standard of corporate governance is essential to sustainable long-term performance and value creation. The key governance structures we have put in place to support this are summarised below.

Caltex Board	Responsible for corporate governance policies and risk management including those relevant to sustainability
Board Safety and Sustainability Committee	Oversees and guides Caltex's sustainability approach and reporting requirements, together with the management of ESG risk
ESG Project Review Board	Develop, update and oversee implementation of Caltex's sustainability strategy. This group is chaired by the Head of Sustainability and includes representation from the Caltex Leadership Team, together with senior business representatives from Fuels & Infrastructure, Convenience Retail, risk, strategy and finance

Identifying and managing risk

We recognise that we are exposed to a range of strategic, operational, regulatory, compliance, socio-political and financial risks associated with operating our business. To appropriately and effectively manage risk, we have an enterprise risk management framework in place, supported by a governance structure (three lines of defence) that aligns with the *ISO 31000:2018 Risk Management* standard and *the ASX Corporate Governance Principles and Recommendations*. The Caltex Board oversees our enterprise risk management framework and is responsible for satisfying itself that management has developed and is implementing an effective risk management system. A summary of Caltex's material business risks and their mitigation plans are set out in the 2019 Annual Report.



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2018 Sustainability performance

In our 2018 Sustainability Report we set annual public commitments to support the delivery of our sustainability strategy. Internally, we prepared a corresponding program of work to support the achievement of these commitments, with progress overseen by the Board's Safety and Sustainability Committee and our ESG Project Review Board.

This year we have achieved or made good progress against the 37 commitments we set ourselves in 2018, many of which are medium to longer-term in nature and therefore progress is ongoing. We have not continued with a small number of initiatives due to a change in business priorities. Refer to Appendix B for further information.

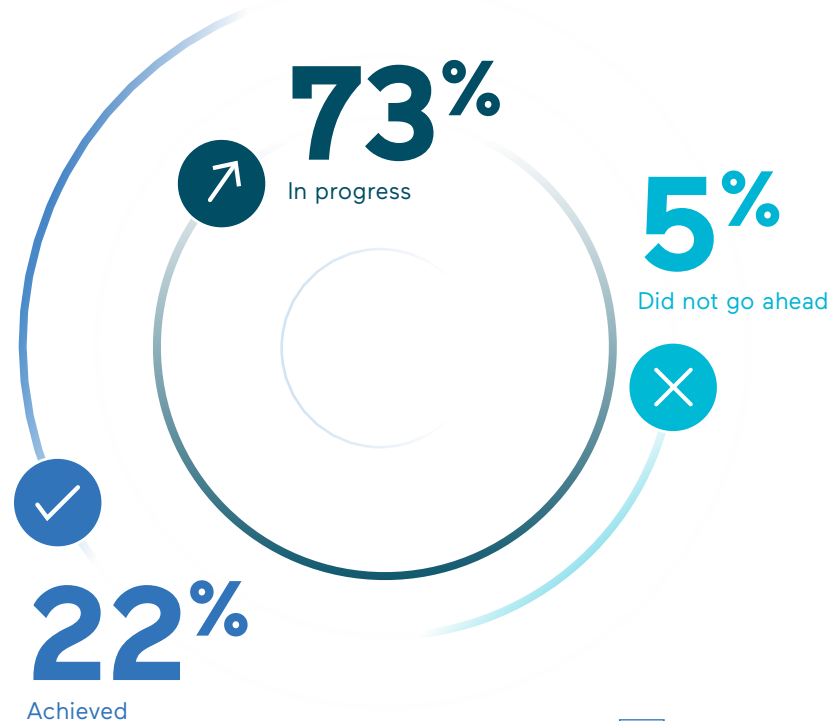
Reporting approach

This report is aimed at improving transparency of our material risks, how we manage these risks and operate responsibly. We have prepared this report with reference to the Global Reporting Initiative's (GRI) Standards to provide shareholders with comparable information relating to sustainability performance. A GRI Index is included at the end of this report.

This report covered the year 1 January 2019 to 31 December 2019, with the exception of carbon emissions data which covers the period 1 July 2018 to 30 June 2019 (in alignment with National Greenhouse and Energy Reporting requirements). It covers Australian and international operations, with the exception of greenhouse gas, energy, water and waste data which is limited to Australian operations.

To provide confidence in the data we include in our report, we have engaged KPMG to provide limited assurance over selected data sets within our 2019 Sustainability Report including safety and carbon emissions data. KPMG's assurance statement is included at the end of this report.

2018 commitments progress



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ON OUR SUSTAINABILITY
REPORTING AND
PERFORMANCE.

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Understanding our Stakeholders



We recognise the importance of working closely and transparently with our stakeholders to understand their interests and needs.

Throughout the year, we engaged in different ways with a range of stakeholder groups including customers, shareholders, community groups and employees. The tables below identify our main stakeholder groups, their key interests and how we engage with them.

Directly affected

Stakeholder group	Customers (Retail)	Customers (Business)	Employees	Shareholders	Community
Engagement mechanism	<ul style="list-style-type: none"> Customer survey - "Voice of Customer" Customer complaint and feedback channels Digital and social media channels 	<ul style="list-style-type: none"> Customer Business Reviews Distributor and RORO site newsletter Correspondence (including meetings and phone calls) 	<ul style="list-style-type: none"> Group-wide surveys Digital and social platforms Employee focus groups (face-to-face) Notice boards Employee updates Q&A sessions 	<ul style="list-style-type: none"> ASX market releases Financial results Investor non-deal roadshows, meetings and conferences Annual Investor Day Annual General Meeting 	<ul style="list-style-type: none"> Tours Correspondence (including meetings and phone calls) Community events Sponsored activities and charity fundraising events Staff volunteering Co-stakeholder meetings Media calls/press conferences
Key topics raised	<ul style="list-style-type: none"> High level of customer service offered Speed of visit Feeling like a valued customer Site feedback Discount queries Transaction queries Fuel performance 	<ul style="list-style-type: none"> Contract performance Emerging industry issues Business improvement initiatives 	<ul style="list-style-type: none"> Employee engagement Diversity and inclusion Leadership Recognition and performance Communication and organisational change Health, safety and wellbeing 	<ul style="list-style-type: none"> Financial performance Business strategy Capital allocation Macro conditions and industry outlook ESG issues 	<ul style="list-style-type: none"> Local community impacts (e.g. noise, odour) Environmental impacts Supporting local communities Providing employment opportunities Engaging with Aboriginal and Torres Strait Islander communities



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Indirectly affected

Stakeholder group	Government, industry bodies and regulators	Suppliers	Media
Engagement mechanism	<ul style="list-style-type: none"> Stakeholder meetings, industry roundtables and briefings Site tours Business engagement forums 	<ul style="list-style-type: none"> Supplier meetings, briefings and workshops Site tours Supplier 360° feedback surveys Supplier Code of Conduct surveys 	<ul style="list-style-type: none"> Correspondence (including meetings and phone calls) Media releases Digital and social media Executive briefings
Key topics raised	<ul style="list-style-type: none"> Fuel quality standards review Fuel prices Supply security Effective environmental management of facilities Energy and climate change policy Taxation/fuel excise 	<ul style="list-style-type: none"> Supplier performance (behaviours and outcomes) Health, safety, environment and quality metrics Ethical business practices Continuous improvement Joint collaboration opportunities 	<ul style="list-style-type: none"> Financial performance Strategy and future direction Operational issues Fuel prices and security Potential M&A



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Safe and Responsible Business



PERSONAL SAFETY



10.7 **14.0**

Total Recordable Injury
Frequency Rate



3.8 **7.8**

Days Away from Work
Injury Frequency Rate



EMPLOYEE ENGAGEMENT SCORE

82%



ENVIRONMENT

0

major spills
(>8000L)

5

minor spills
(>160L <8000L)

3

marine spills
(any volume)



DIVERSITY

42.5%

Overall female
representation

<1%

Gender pay
equity ratio



PROCESS SAFETY

0

Tier One
events

2

Tier Two
events



The safety of our people and our customers is our highest priority.

We are driven to ensure that our people go home safe every day and that the safety of our customers and communities in which we operate are not impacted by our operations.

We operate in an ethical, responsible and transparent way and empower our people to do the right thing and work together to deliver long-term value.



Lyndall Stoyles,
EGM – People,
Communications
& Governance



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Safety

For Caltex, our goal is to continually improve the standard of safety across our business.

Our safety performance in 2019 did not meet the standard we set ourselves.

We are committed to improving our safety performance and have prioritised a number of initiatives to guide this improvement.

We measure and track our safety performance using a number of leading and lagging performance indicators. These include Total Recordable Injury Frequency Rate, Days Away From Work Injury Frequency Rate, near misses, actual and potential injury severity, health and safety risk profile and audit results, and safety culture and leadership measures.

2019 Safety performance Fuels & Infrastructure

In Fuels & Infrastructure, the number of personal incidents increased as a result of increased low-consequence injuries at Lytton and with injury count steady across Distribution and the rest of Fuels & Infrastructure. The majority of the incidents occurred when people were performing routine duties, and were low severity injuries with a quick and full recovery. As we operate in a complex operating environment, we maintain a 'chronic sense of unease' for all activities, and embed continuous reviews and improvements in the way we work.

Pleasingly, there were no Tier One process safety incidents during 2019 and we continue to pursue improvements to our systems and processes to improve process safety. We successfully renewed the safety case at our Caltex Newport Terminal resulting in a 5-year unconditional licence to operate and our Gull Tauranga Terminal was granted approval of its first safety case.



Our Fuels & Infrastructure priorities include:

- Reinforcing our campaign "Do the Right Task, the Right Way, First Time, Every Time" to ensure our people have the right focus for every task they undertake
- Driving our safety culture throughout every part of our business through safety leadership visits and discussions
- Implementation of our "Move4Life" holistic health and work/life fit program and "Early Intervention Physiotherapy" for work and non-work related conditions to ensure are people are fit for the work they undertake

Convenience Retail

In Convenience Retail, we continued to work towards improving our safety culture focusing on timely reporting of all incidents as well as the reductions in the quantity of incidents across our business. We remain focused on this objective, as we continue to transition sites from our franchisee network to company operation. While we have seen an increase in the quantity of incidents as this transition occurs, our analysis has also confirmed that these incidents are predominantly of low severity and occurring when people are performing every day tasks, highlighting the criticality of safety culture and behaviours at each and every store. As we make this transition, management is emphasising and reinforcing the standards that all incidents are reported, hence in addition to the rise in reported injuries we are also seeing a rise in hazard reporting.



Our Convenience Retail business is focussed on establishing our Caltex safety culture at every store with a focus on:

- Safety tools to reinforce common safety risks – "First Time, Every Time" to ensure our people have the right focus for every task they undertake
- Leadership practices to drive a strong and consistent safety culture
- Simplification of processes to reduce steps and manual handling
- Enhanced personal security controls, utilising security incident data to prioritise sites



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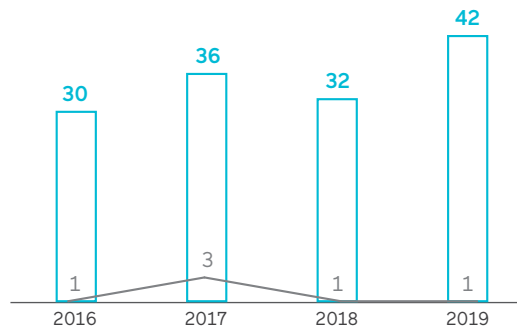
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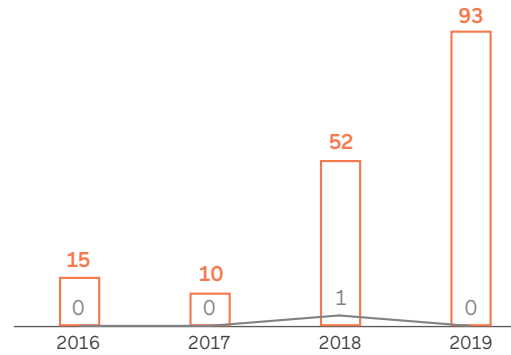
Safety performance data

Fuels & Infrastructure



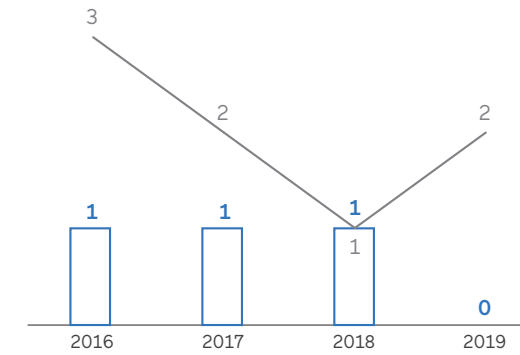
■ Total Recordable Injuries
— Category 2 severity Injuries

Convenience Retail

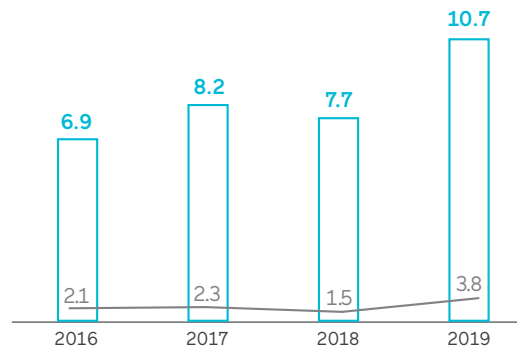


■ Total Recordable Injuries
— Category 2 severity Injuries

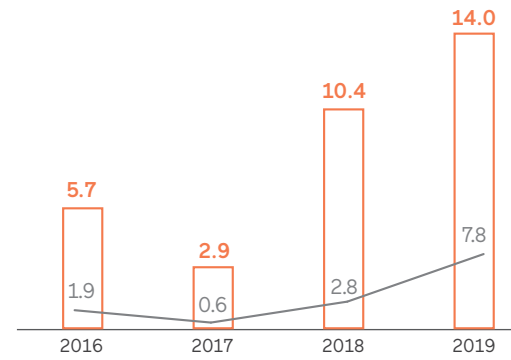
Process safety³



■ Tier One event
— Tier Two event



■ Total Recordable Injury Frequency Rate¹
— Days Away from Work Injury Frequency Rate²



■ Total Recordable Injury Frequency Rate
— Days Away from Work Injury Frequency Rate

1. 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.
2. 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.
3. 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.



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Safety Management System

The Caltex Operational Excellence Management System (OEMS) provides an integrated framework for systematically managing the operational risks associated with our key business objectives and outcomes. This includes minimising adverse impacts associated with operational risks including safety, health, environment, security, quality and business resilience. Through the disciplined use of the OEMS, we integrate process, standards, procedures and behaviours into our daily operations.

During the year we refreshed our OEMS, aligning with the Three Lines of Defence risk management governance model and relevant International Standard Organisation (ISO) standards. The refreshed system consists of thirteen mandatory management system elements and nine risk-based key control elements.

We have developed a framework to provide for continuous improvement and maturity of our OEMS. At a minimum, we have set an expectation that the OEMS is integrated into business operations, with outcomes regularly monitored and measured for effectiveness.

Management System Elements

Support the systemic management of activities and processes to consistently meet quality expectations and effectively minimise risk

1. Leadership accountability & governance
2. Planning, objectives and targets
3. Legal & other requirements
4. Consultation & communication
5. Risk management
6. Management of change
7. Training & competency
8. Security & resilience
9. Third party goods & services
10. Incident reporting, non-conformance & action management
11. Performance monitoring and audit
12. Management review, reporting and continuous improvement
13. Document and records management

Significant Control Elements

Requirements to mitigate or minimise identified risks and hazards

1. Environmental management
2. Fuels product quality
3. Food safety
4. Control and authorisation of work
5. Safe work practices
6. Health, hygiene and injury management
7. Driver & transport safety
8. Design, construction & commissioning
9. Operations integrity and maintenance

Contractor safety management

A significant amount of work is conducted on behalf of Caltex by third parties. Ensuring that health, safety and environment risks are well managed means applying the same standards to contractors as those that are applied to Caltex employees. We have procurement and operational processes in place to assess the risk of the work being performed by a third party, and if deemed high risk we apply additional controls including reviewing and assessing the capability of contractors to verify adequacy of safety management systems, safety performance and insurance coverage.

Wellbeing

We continue to make progress in supporting our people's wellbeing. Our Health and Safety Policy and associated programs outline our commitment to provide an environment that enables employees to participate fully in the workplace and perform at their best.

Our Employee Assistance Program (EAP) is available to all employees and their immediate family members. The EAP provides confidential, free counselling and guidance for work and personal problems, and includes online resources for managing stress, mindfulness and relaxation. We also provide our people with a range of resources and training on wellbeing, including an opportunity to participate in the Global Corporate Challenge. In addition to this, we provide proactive support to high-risk areas of our business such as front-line workers in our retail stores.

We are currently refreshing our wellbeing strategy, creating a strategic end-to-end framework that is focused on improving wellbeing outcomes for all our people. Our strategy will consolidate our approach and include education and training for managers, psychological assessments and wellbeing mapping of our workforce.



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Environmental management

Protecting the environment
is central to our social
licence to operate.

We recognise that we
need to apply the same
strong focus to the
environment as we do
to bringing our people
home safely every day.



Our Operational Excellence Management System (OEMS) sets the minimum standards to protect the environment and aims to drive continuous improvement in a consistent and systematic way. It aims to ensure that we understand the potential risks and impacts of our activities and implement appropriate strategies to minimise environmental harm. It also seeks to support the integration of environmental management principles and responsibilities into our business systems and processes and meet our legal and other compliance requirements.

This year we refreshed our Environmental Policy and have prepared a group-wide environmental management governance framework and strategy, with the objective of aligning our business operations with the principles set out in the *ISO14001:2015 Environment Management Systems* standard. We have refreshed our group-wide minimum expectations for environmental management, with a focus on high-risk impacts. Our internal audit processes check compliance with the minimum expectations we set ourselves.

Eight of our largest sites are individually accredited to the ISO14001 standard (Lytton refinery, and six licenced terminals – Kurnell, Banksmeadow, Mackay, Cairns, Gladstone and Port Hedland and the Lytton lubricants manufacturing facility).

We operate a range of underground petroleum storage assets, from sites with steep tanks and lines through to double walled non-corrodible tanks and lines. We actively monitor for leaks of these underground systems using a number of mechanisms including Statistical Inventory Reconciliation and Analysis (SIRA), six-monthly gauging and groundwater sampling. This year we upgraded our SIRA systems to a live web portal that provides real time information on the operational status and risk rating of all our underground systems.

We implement an Underground Petroleum Storage System (UPSS) Replacement Program, replacing systems we deem

high risk based on a number of factors including age of tanks, material of construction, maintenance history, ground conditions and surrounding land use.

Should a spill or leak occur, we have programs in place to manage contamination in accordance with our legal obligations. This includes proactive monitoring and assessment of potential environmental impacts and awareness training for relevant operational staff.

At Lytton refinery we monitor air emissions using a combination of fixed instrumentation, testing of stack emissions, and operate a Leak Detection and Repair program to detect and address fugitive emissions from process-related equipment. Two fixed ambient air monitoring stations continually monitor air quality in the local community. Emissions are managed within environmental licence limits, and the refinery meets its compliance reporting obligations, including the National Pollutant Inventory (NPI).

Spill performance in 2019

While we reported no major spills during 2019, two minor marine spills occurred at Lytton refinery and one within our distribution network. Our processes ensure that we complete investigations to reduce the risk of a spill from a similar incident.

Total numbers	2016	2017	2018	2019
Major spill >8,000L	2	1	0	0
Minor spill >160L <8,000L	6	8	5	5
Marine spills (any quantity)	3	0	0	3



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Resilience and emergency management

The reliable and safe supply of fuels is our promise to our customers.

To ensure our operations remain resilient and we continue to deliver for our customers, we are enhancing our resilience plans to minimise disruption for a range of hazards that could potentially impact our business. These plans are being built on the strong foundation of our well planned and tested Incident Management and Emergency Response strategies currently in place, together with education and training we currently provide to all levels of our business including board members.



CRISIS AND EMERGENCY MANAGEMENT

x3 **x1**

Training Exercise



EMERGENCY MANAGEMENT

x3 **x4**

Training Exercise

We are looking at ways to enhance our approach and have identified key areas for improvement that will further build resilience in our people, simplify processes and more effectively allocate and manage the resources required during a disruptive event. Our approach is based on international best practice standards, utilising the Prevent, Prepare, Respond and Recover framework. We also provide thought-leadership to the Australian government on building a resilient nation via its Resilience Expert Advisory Group.

Managing PFAS

Per- and poly-fluorinated alkyl substances (PFAS) are manufactured chemicals used to make products resistant to heat, stains, grease and water. PFAS chemicals are persistent in the natural environment and can accumulate over time resulting in a negative impact on animals, plants and water streams.

In Australia, both the Queensland and South Australian governments have introduced legislation requiring the transition to non-bio persistent firefighting foams. In response, we have developed plans to transition away from PFAS-containing firefighting foams and manage legacy contamination associated with historical PFAS foam usage on Caltex sites.

To date, we have made good progress in the transition, replacing a number of firefighting foam stocks. We have been actively involved in the testing of replacement products and have undertaken assessment of legacy contamination in accordance with the PFAS National Environmental Management Plan (NEMP).

We will continue to engage proactively and routinely with relevant regulatory agencies, global industry bodies and external stakeholders as we transition away from PFAS.



KURNELL REMEDIATION

In July 2012 the decision was made to convert Kurnell refinery into an import terminal, thereby ensuring our customers had continued access to safe and reliable product supply. Since that time the site has undergone decommissioning, demolition and conversion into a terminal. During this phase, a key focus was on reducing the amount of waste sent to landfill, with over 100,000 tonnes of concrete collected and reused as road base and top coat for the new terminal site. In addition, over 50,000 tonnes of steel was collected for recycling.

The site has now moved into a remediation phase to improve the environmental condition of the site and meet land use planning and regulatory requirements. Innovative approaches to remediation have been trialled and are now being used at scale including bioremediation on site, together with the removal of contaminated soil to an offsite thermal treatment facility where it can later be reused.



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People and capability

Employee engagement

This year we again surveyed our employees to better understand what is working well, and what can be improved. In 2019 our employee engagement score was 82%, with an overall participation rate of 71%. These were encouraging results given our ongoing organisational changes. Key improvement areas identified included empowering our people managers to drive positive change to meet work challenges effectively and encouraging greater work-life balance to allow employees to recharge.

Development

We are committed to developing our people and providing development programs to ensure we have the capability to deliver on our strategy. During the year we refreshed our leadership development programs, and early in 2020 will launch a new Strategy Execution Program aimed at driving a consistent focus to our strategic priorities and strengthening the commercial and operational discipline required to execute on our strategy. In addition, the Caltex Academy continues to deliver targeted programs that build core capabilities as required.

Rewarding our people

Each year we recognise the outstanding achievements by an individual or team through our Caltex Stellar Awards. Our awards are aligned to our five Caltex values — connect to win, find new ways, own it, make a difference for customers and never stop caring. In addition to the 5 values awards, we also have the Leading@Caltex award which is presented to someone who has shown outstanding leadership of an individual or team.

Graduate program

The Caltex Graduate Program is a two-year program that moves through four rotations, allowing graduates to gain experience across various parts of our business. This year we welcomed 14 new graduates to our business, coming from a range of disciplines including engineering, law, economics, finance and psychology.



JINAN HAMMOUDI, LEGAL GRADUATE

Jinan joined the Caltex graduate program in February 2019, after completing a Bachelor of Laws and Commerce at the University of New South Wales. With an interest in corporate law, Jinan has been working in the Fuels & Infrastructure team where she has been involved in a number of tasks including contract and tender review, legal research, and provision of legal advice to business colleagues.

Since joining the graduate program, a highlight for Jinan has been working closely with the Caltex business units to carry a matter from inception to completion. "Working as an in-house lawyer at Caltex is very different to working in a law firm," she said. "It requires not only strong legal proficiency, but also a commercial awareness of the way Caltex operates in its external environment. Being at Caltex has exposed me to the business considerations behind commercial decisions and has allowed me to work on matters at a stage before they mature to a legal dispute."

Whilst working full time, Jinan is also completing her Masters in Corporate and Commercial Law at the University of New South Wales. Jinan says the program has been extremely supportive of her studies and allowed for flexibility in juggling both work and study.

The graduate program has also presented the opportunity to develop professional and leadership skills through various 'Lunch and Learn' workshops. Jinan has also immersed herself into the wider business through her involvement in the Caltex Women In Fuels Industry (WIFI) group, and in coordinating a mental health awareness campaign during Mental Health Awareness Week.



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CALTEX HEAD OFFICE MOVE

In 2021, the Caltex head office will move to a new purpose-built facility, comprising an agile working space with outdoor work areas, activity-based working 'neighbourhoods', a large lunchroom space and café, as well as easy access to the local park, public transport and fitness facilities.

The new office will integrate sustainable design principles, including low energy fittings and fixtures, greenery and solar panels. The building will have a 5.5 Star NABERS rating – one of the highest ratings a building can achieve for environmentally sustainable design.

The design of the space has been employee-led with 'change champions' from across the business taking part in a working group that provides key input into various design decisions such as fit-out, functionality, finishes as well as the floor plan and co-location of teams. The change champions will be advocates for the office move and are responsible for educating their colleagues about the new space.

The new space aims to prompt a more flexible, collaborative and activity-based way of working. This will not only improve the quality of work, but also the wellbeing of our employees.



Diversity and inclusion

To help create an inclusive work environment, we recognise and celebrate a number of cultural days and events including NAIDOC Week, Close the Gap and National Reconciliation Week. Caltex also acknowledged International Women's Day, taking the opportunity to promote Caltex's gender pay difference of less than 1% for like-for-like roles in 2019. These celebrations are often led by our 'Women in the Fuels Industry' (WIFI) and 'Indigenous Trailblazers' employee working groups and supported by our Diversity and Inclusion Council.

In 2019, we established a working group that embraces and promotes support for the LGBTIQ+ community. This group aims to be a voice and contact point for all LGBTIQ+ employees and is creating an action plan aimed at fostering greater engagement both internally and with external community partners.

Our Queensland teams at both Lytton refinery and Lytton Lubricants celebrated 'Pride' month in 2019. The teams flew the LGBTIQ+ flag for the month of September and shared photos using the 'Queensland Pride 2019' photo frame. In celebration of 'Wear it Purple' Day, we encouraged our employees to wear purple bandanas to support LGBTIQ+ youth across Australia.



<1%

Gender pay
equity ratio



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42.5%

Overall female
representation

37.4%

Female representation
at leadership level



FOR FURTHER
INFORMATION ON HOW
WE ARE SUPPORTING
OUR ABORIGINAL AND
TORRES STRAIT ISLANDER
EMPLOYEES,
REFER TO THE WORK WE
ARE DOING TO PROGRESS
OUR RECONCILIATION
ACTION PLAN,
LOCATED LATER IN THIS
REPORT.

Caltex has also participated in a number of forums that support diversity and inclusion. In partnership with the National Association of Women in Operations (NAWO), Caltex hosted an event at our Kurnell terminal on "Leading through change and loving it" at which our EGM Fuels & Infrastructure, Louise Warner was keynote speaker. Similarly, our Board Director, Penny Winn spoke at a NAWO event hosted by Caltex at our Manufacturing precinct in Lytton on the topic of being courageous. Our EGM Convenience Retail, Joanne Taylor was a panellist at the 2019 Data Launch – Gender Pay Gap for the Workplace Gender Equality Agency (WGEA).

In 2019, Caltex continued to make progress towards one of its key diversity objectives of 40% female representation in senior leader roles, with 37.4% of all senior leaders being female. Caltex continues its focus on recruiting and developing female talent at all levels of the organisation in order to create a strong pipeline of senior leaders.

We continue to closely monitor gender pay gap and seek to identify opportunities to remove potential bias whenever remuneration decisions are made. We continue to calculate and assess gender pay differences in our business, which helps us to identify improvement opportunities. Caltex continues to maintain a gender pay differential on like-for-like roles below 1%.

Supporting new parents

At Caltex, we recognise the important role that parents play in our society and acknowledge the needs of employees when starting and raising a family. To support this, we provide a range of benefits to our people including paid primary carer and partner leave of up to 12 and 2 weeks respectively. There are no minimum service requirements to utilise parental leave, with the benefit available upon birth (including surrogacy), adoption or long-term foster care of a child.

This benefit is in addition to any Government funded leave employees may be eligible to receive through the Department of Human Services.

We also continue to provide support to new parents returning to work through our Baby Care Package, which provides practical and financial support to parents through a 12% annual bonus, access to a child-care finding service and emergency in-house child-care.





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Respecting human rights

We support fundamental human rights and the prevention of modern slavery and human trafficking.

We have developed a Human Rights Policy and framework, which is overseen by the ESG Project Review Board. In response to our obligations under the *Modern Slavery Act 2018* (Cth), we have mapped our supply chain, undertaken a high-level modern slavery risk assessment as well as a prioritisation exercise for high risk areas in our supply chain. Our next steps are to embed a formal modern slavery risk assessment and management process into our dealings with business partners and suppliers, and to delve into the risk areas which we have identified as top priorities.

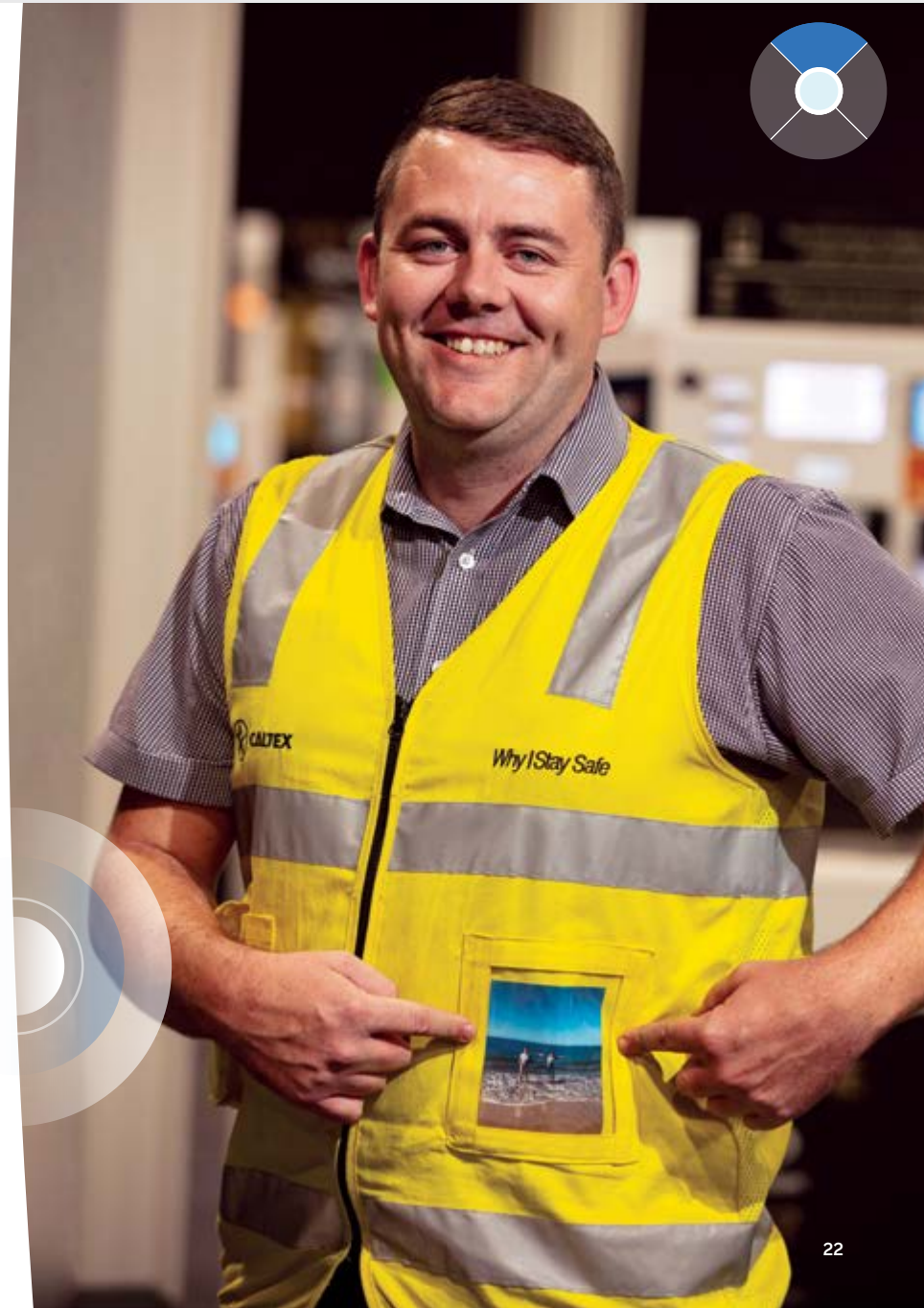
Beyond our direct employees, partners and suppliers, we are taking a risk-based approach and engaging third parties such as our customers and industry peers to identify collaboration and shared learning opportunities to eradicate modern slavery.

Caltex is committed to continuous improvement and will be coordinating effective internal and external reporting to keep all relevant stakeholders informed on Caltex's human rights obligations and policies. Our first Modern Slavery Statement will be published in 2021.

Responsible procurement

Our External Spend Policy sets out core principles and the expectations of our people when conducting market engagements and in general dealings with suppliers. The Policy is underpinned by the Caltex External Spend Standard and Supplier Code of Conduct that sets minimum expectations across the key areas of labour and human rights, diversity and inclusion, health and safety, environment and sustainability, and ethical procurement.

During the year, we commenced proactively engaging with current suppliers to assess their level of compliance with the expectations set out in the Supplier Code of Conduct. When areas of non-compliance are identified, we work with suppliers to jointly identify and close out remedial actions. For new suppliers, we seek their commitment to meet our requirements via contractual agreement at the onboarding stage. We have commenced building a new Source to Contract platform, allowing us to streamline our approach and further embed sustainability risk and opportunities considerations into the supplier evaluation process.





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Ethics and business integrity

Caltex strives to maintain high standards of integrity, honesty, openness and transparency, and is committed to providing ways for our people and suppliers to report practices or behaviours that are illegal or contrary to our Code of Conduct. Caltex's Whistleblower Policy, the Caltex Hotline and Ethical Business Practices Policy are instruments that uphold the Code.

Built on the foundation of our five values, the Code of Conduct sets the standard of behaviour which guides the decisions and actions of Caltex employees. In 2019, we updated our Code of Conduct to include information about the new Caltex Hotline, Human Rights Policy as well as reinforcing ethical business practices, such as managing conflicts of interest and bribery and corruption. Additionally, we developed a mandatory online training module for employees, with over 6,000 employees completing the training since its launch. The Code of Conduct, which is approved by the board, is reviewed every two years.

The Whistleblower Policy and Hotline are key mechanisms which uphold our Code of Conduct and Supplier Code of Conduct. The Whistleblower Policy is designed to protect and encourage our employees, and those with close knowledge of our operations, to report misconduct, including behaviour that is inappropriate, unethical, corrupt or illegal, without fear of retaliation. In December 2019, our Whistleblower Policy was amended to reflect changing community expectations and comply with recent regulatory changes, such as the new whistleblower laws and guidance in the *Corporations Act 2001* and *ASIC Regulatory Guide 270*.

The Hotline is operated by an independent third party and provides an anonymous channel for employees and suppliers to report unethical behaviour with the guarantee and comfort that they will be protected from retaliation and victimisation.

The Ethical Business Practices Policy covers important topics such as conflicts of interest, bribery and corruption and fraudulent use of assets. It is available on Caltex's intranet and holds employees accountable for being upfront, honest and holding integrity as a core personal commitment. Caltex's Gift and Hospitality Register, also available on the intranet, is a mechanism that reinforces the rules set out in the Ethical Business Practices Policy and was rolled out in October 2019.

Fuel standards

Reliable, resilient supply chains and a robust infrastructure network, supported by experienced staff, are the cornerstone of our ability to meet the transport fuel needs of our customers in Australia, New Zealand and across Asia.

Our product quality specialists oversee the integrity of fuel through our supply chain, including shipping, manufacturing, storage and delivery systems, with the aim of ensuring that our customers receive high quality products, our legal and regulatory obligations are met and performance is consistently high.

In 2019, following consultation with industry and other key stakeholders, the Federal Government legislated changes to Australian fuel standards to align parameters such as sulphur with internationally recognised standards from 01 July 2027. We strongly supported this decision by the government which provides refiners in Australia suitable time to undertake necessary studies and considerations regarding current refinery operations in Australia and provide these refiners with the best opportunity to remain viable. In addition, we ensure that all products supplied to marine customers are compliant with International Maritime Organisation (IMO) requirements regarding sulphur content.





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Policy advocacy and industry memberships

We seek to proactively engage with relevant stakeholders across all levels of government and industry associations through our Government Affairs team.

Where policy considerations are raised which could be relevant to Caltex, or our industry, we endeavour to work with stakeholders in a constructive manner to develop the best evidence-based policy outcomes while seeking to maintain the international competitiveness of our industry and value for our customers. Key policy issues we are currently engaging on include liquid fuel security/reliability, alternative fuels, climate and energy related policy.

With regards to fuel security, we have a longstanding reputation for reliably and safely meeting our customer's fuel demands and we are confident in our commercial stockholdings and our ability to manage supply as part of normal operations.

We are members of a number of industry associations providing opportunities to engage with similar organisations, share insights, support advocacy and discuss potential industry standards. Whilst we seek broad alignment of policy positions through these industry associations, at times these policy positions may differ. We continue to review our memberships to industry associations to ensure our involvement continues to benefit our business and stakeholders and remains relevant to our ongoing operations.



Priorities for 2020

- Delivering improvements in security and resilience including business continuity and crisis management
- Development and execution of an Occupational Health & Wellness strategy
- Delivery of a Corporate Environment Strategy focused on enhancing Caltex's second line of defence
- Integration of ESG principles and Supplier Code of Conduct into Caltex's Source to Contract process, including supplier risk assessments
- Further embedding of ESG/climate change considerations into the business planning process
- Delivery of a Fuels & Infrastructure Spill Prevention program, increasing our focus on engineering solutions, process and behaviours
- Delivery of Fuels & Infrastructure Safety Improvement Plan focusing on the engagement of frontline leaders
- Delivery of the Convenience Retail Safety Strategy to drive improved performance across the key areas of safety leadership, systems and processes, wellness and risk management





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Continuous Improvement and Optimisation of Assets



252,861,147

Total GJ consumed

102.4

Lytton refinery
Energy Intensity Index

3,089,637 KL

water consumed, 62% from recycled or reused sources

53.8%

waste diverted from landfill (recycled or reused), 27,098 tonnes solid waste, 8,265 kilolitres liquid waste generated



We put the customer at the centre of everything we do.

A thorough understanding of our customer's needs together with operational excellence is core to our ability to deliver exceptional service.



Joanne Taylor,
EGM – Convenience
Retail



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Energy efficiency

We recognise that our operations require a large amount of energy and we continue to undertake assessments to identify cost-effective initiatives to reduce our use. Lytton refinery constitutes the largest component of our energy footprint, comprising 92% in the FY19 financial year.

We have delivered a number of projects to reduce energy use during 2019. Lytton refinery commenced a three-year program to upgrade the analysers on its furnaces. The upgraded analysers are able to more accurately track oxygen levels thereby reducing heat loss levels and operational energy requirements.

For our convenience retail sites, we incorporate sustainability design principles into store fit-outs including insulation, thermally efficient glazing, together with energy and water efficient fittings. During the year we installed LED lighting across 26 NSW retail stores and will continue to roll out energy efficient equipment across our national network. Total energy consumed has increased for Convenience Retail over the period FY17 – FY19 due to the increased in retail sites that have come under our operational control.

Energy consumed (GJ)

	FY17	FY18	FY19
Kurnell	76,763	67,265	82,657
Lytton	253,470,068	252,059,387	233,561,572
Convenience Retail	104,827	247,076	338,695
Other	478,379	487,419	455,579



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Water efficiency and addressing water scarcity

We recognise that we have a responsibility to effectively manage our use of water and minimise impact on water resources. This is particularly critical given the ongoing drought conditions affecting many parts of Australia. Lytton refinery constitutes the largest component of our water use, comprising 85% in 2019. Whilst the refinery requires a large amount of water, approximately 73% of its water use is recycled water sourced from an external wastewater treatment plant or is reused condensate used to generate steam. The refinery installed a smart meter in 2019, which will allow the business to identify further water saving opportunities.

Caltex recently renewed its membership to the Australian Car Wash Association (ACWA). Through this membership, we are able to confirm that all our car wash sites comply with water restrictions imposed in various locations throughout Australia. We maintain state-of-the-art equipment and install water reclaim systems at all our sites, making our washes amongst the most water-efficient in Australia.

Water use (KL)

	2019
Potable	1,164,398
Recycled + reused	1,925,239
Total	3,089,637

Waste minimisation

We strive to find ways to reduce waste and improve resource efficiency, from design through to operating practices. We seek innovative solutions to reduce, reuse and recycle.

2019 waste volumes

	Recycled or used	Landfill
Hazardous waste – liquids (KL)	3,695	4,570
Hazardous waste – solids (tonnes)	13,564	5,528
Non-hazardous waste – solids (tonnes)	1,752	6,254



BIOREMEDIATION TRIAL AT THE LYTTON REFINERY

A trial was undertaken to use bioremediation processes to treat sludge materials generated at Lytton refinery's wastewater treatment plant. Instead of disposing of sludge material offsite at a hazardous waste facility, we investigated options to reduce contaminants and the quantities of waste we were sending to landfill.

Over a seven month period, contaminated material was actively bioremediated in the refinery's landfarm through a combination of turning the material to aerate it, and the addition of organic and inorganic nutrients to optimise the conditions for microorganisms to naturally reduce the hydrocarbon levels. The process was successful at reducing hydrocarbon levels in the material, with the primary contaminant (TRH10-36) decreasing by approximately 84%.

The reduction in hydrocarbon levels in the material resulted in it not needing to be sent to a hazardous waste facility, and instead reduced quantities of landfill were sent to a lower classified landfill facility.



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Moving to a circular economy

We are continuing to work to remove or reduce plastic packaging, minimise food waste and provide further opportunities for our customers to contribute to the circular economy through recycling.



Removing single-use plastic bags

We recognise that the removal of single-use plastic bags is not only important to our customers but that our business has a part to play in minimising plastics in the environment. From January 2019, we stopped offering single-use plastic bags at all our retail sites and introduced alternatives for our customers including our The Foodary hessian bags and reusable bags made from 80% recycled content at all other retail sites.



Reducing plastic packaging

We have been working with our suppliers to identify and address excess plastic packaging across our private label range. For example, we are currently working with Patties to investigate bringing in their bestsellers in a box of unwrapped product rather than being individually wrapped.



Reducing food waste

Food waste is a \$20 billion problem in Australia and it is estimated that 40% of all food grown and manufactured for Australian consumption is wasted. We are making efforts to reduce food waste and as such, the consideration of waste is a key aspect of our food range reviews to ensure that any high waste lines have been removed. We have also become a Foodbank partner and have begun to leverage exploring opportunities to donate any unused produce to those in need.



Introducing The Foodary Keep Cup

This year we launched a Keep Cup in our The Foodary stores and are offering a discount on coffee to customers who choose to use a reusable cup.



THE
FOODARY



Reducing waste: Container Deposit Scheme

In partnership with Tomra, we installed return to earn reverse vending machine at our Seven Hills, Concord West and Luddenham stores across Sydney. Since installation in September 2018, 8.5 million containers have been collected, averaging around 530,000 per month. We are very proud to play a role in reducing waste going to landfill and will continue to look at opportunities to roll out additional reverse vending machines across our stores in the coming years.



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Continuous improvement

While continuous improvement underpins the culture of our business, we introduced a continuous improvement program in 2019. This included introducing a dedicated team to focus on and deliver opportunities for simplification and efficiency, earnings uplift and cost reduction across all parts of our business.

Initiatives across the year included refining our corporate operating model, implementing micro market strategies to optimise increased sales and margin growth in targeted segments of our network, and modifying traditional disposal methods for refining chemicals thereby reducing waste to landfill.

Many of our continuous improvement initiatives were ideas from our employees. Acknowledging that our employees are the experts of our business was a key driver in launching our inaugural Caltex Shark Tank competition in late 2019. We asked employees to submit ideas that grow, improve or simplify the way we do business. Twelve ideas were shortlisted with three winners chosen via a pitch session.

The first of our three winners aimed to create and develop a relationship between Caltex and local community groups. *'Refuelling the Community'* invites schools, sporting groups and charities to register with Caltex for the chance to win a cash prize, further enhancing our relationships with local communities.

Our second winner proposed a *'Dynamic demand-driven supply chain'* system, helping to ensure the right product is in the right location at the right time through optimisation of the supply chain process at store level.

The third winner of our Shark Tank competition proposed to automate the collection of data. This will optimise planning and scheduling and enable further analysis and automated reporting.

These three employee ideas will be sponsored by members of our leadership team who will assist in bringing the ideas to life in 2020.



Priorities for 2020

- Implementation of energy efficiency and operational optimisation program at Lytton Refinery, including O₂ analyser upgrade
- Review packaging and use of plastics used in our retail network to identify cost-effective alternatives, together with opportunities to reduce waste to landfill





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Contribution to the Australian Economy and Community



We have a strong history of generating economic benefits for the Australian economy, providing sustainable solutions to our customers and helping communities to thrive.



ECONOMIC
BENEFITS

\$22,360^M

Direct economic value generated

\$7.5^B

Taxes paid 2018
(from 2019 report)

\$20,389^M

Spent with suppliers



SUPPORTING
COMMUNITY

\$3.14^M

Community investment contributions via Caltex Foundation



Our success goes hand-in-hand with the success of Australian communities. We work collaboratively with our business partners, customers and surrounding communities so that we can all continue to benefit from sustainable growth.

Matt Halliday,
Chief Financial Officer





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Disaster relief support

During times of natural disaster and hardship, we understand the importance of providing support for families and communities in areas where we operate.



Volunteers in Gelorup, Western Australia stop off at Caltex's The Foodary Gelorup store for some free food and drinks as thanks for protecting our communities.

We are proud to be recognised in communities as a reliable backbone, ensuring that in times of natural disasters, we are providing a vital service, while also keeping the safety of our employees at the heart of every decision made. This includes ensuring fuel is available to emergency services or providing sustenance to volunteers.

Responding to the bushfire disaster

In late 2019 and into early 2020, we assisted by donating StarCash gift cards to the New South Wales Rural Fire Service to assist volunteers with the cost of fuel. A number of Caltex stores were used as depots which provided power generators to ensure that businesses could still be run during the time of the fires. The depots also acted as control points for emergency services and a safety point for those under threat.

We established the Caltex Employee Bushfire Relief Fund, allowing our employees to make a salary sacrifice donation which Caltex then doubled. Through participating retail stores, we also offered volunteer firefighters free food and drinks and raised funds for the Red Cross.

Supporting drought relief

In 2018, we announced a drought package to assist one of Australia's largest rural charities, Rural Aid. As part of this, we committed to donate \$1 from every 20 litre Delo product for 12 months, following the launch of the new lubricant product in October 2018. In 2019, the total amount raised for Rural Aid via the sale of Delo came to over \$94,000 which was donated to Rural Aid to assist the charity in making a difference for drought affected farmers.



\$1

donated from
every 20 litre
Delo product
for 12 months



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Community investment

Making a difference in the communities in which we operate remains a big focus for Caltex in 2019.

This included establishing the Caltex Foundation Committee as the vehicle through which we deliver our corporate social responsibility activities. Decisions on Foundation priorities, including funding and management of our major programs and partners, are made by the Foundation Committee which comprises representatives from each part of the business.

Stars Foundation

Stars Foundation supports and enables Aboriginal and Torres Strait Islander girls and young women to make active choices towards realising their full potential. Stars supports almost 1000 young women in 17 partner schools – including two new programs for upper primary school girls in Darwin. Our support of Stars delivers on our Reconciliation Action Plan commitment to support an organisation that focusses on empowering and supporting Aboriginal and Torres Strait Islander young women to better balance our support for both genders, as well as delivering on our belief that education changes lives.

Since the Stars Foundation started five years ago, remarkable improvements in outcomes amongst participants has been seen.

Caltex Best All Rounder Program

The Caltex Best All Rounder Award is one of Australia's best-loved secondary education recognition programs. For over 30 years it has been presented to thousands of final-year students, acknowledging their all-round contributions to their schools and communities. In 2019, 2,112 schools registered for the program, which was an increase of 61 schools from the previous year, showcasing how valued this award is across the Australian education system.



TAYA HOLDEN, STARS GRADUATE 2018, TOWNSVILLE

"In Year 11, my attendance at school was pretty low. I just wasn't interested and didn't care, [but] once Stars came to my school and I signed up, I started to go to school regularly. This had a big impact on my learning and my grades.

Stars encouraged me and believed in me.

One of the things that really helped was working with my Stars Mentors to fill out the 'Stars Plan', where they help you to identify your strengths and interests, and then figure out your goals and how you're going to achieve them.

If it wasn't for Stars, there's no way I would have accomplished as much as I have so far with my education. I did well in Year 12 and even got into university to study Nursing!"



2,112

Schools registered for the Caltex Best All Rounder Award program in 2019



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**Clontarf
Foundation**

Clontarf Foundation

The Clontarf Foundation exists to improve the education, discipline, life skills, self-esteem and employment prospects of young Aboriginal and Torres Strait Islander men and by doing so equips them to participate more meaningfully in society. In 2019, our employees continued to engage deeply with Clontarf through many touchpoints including employment forums, football tournaments and site visits.



Foodbank

Foodbank

In 2019 we kicked off our partnership with Foodbank, an organisation that fights hunger by sourcing food for people in need. Throughout the year, our Convenience Retail team donated over one tonne of product to Foodbank NSW, and our Legal, Secretariat and Corporate Affairs teams volunteered at the NSW warehouse showcasing the deep alignment early on into our partnership.



**Australian
Road Safety
Foundation**

Australian Road Safety Foundation

Marking our eighth year of partnering together, the Australian Road Safety Foundation continued to deliver innovative road safety awareness programs to achieve year-on-year reduction in deaths and injuries on Australian roads. Throughout the year, many Caltex leaders attended the organisation's media awareness events to drive the safety message in our networks.



**Love
Your Sister**

Love Your Sister

Love Your Sister is a million-strong village of everyday Australians committed to vanquishing all cancers with hard science. We supported Love Your Sister with \$6,000 worth of StarCash to fuel their vehicles on their 'On the road again' tour of Australia which saw Gold Logie winning actor Samuel Johnson travelling across Australia to raise funds and campaign for personalised medicine for all Australian cancer patients.



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MADELAINE PICKWICK, CAREERTRACKERS INTERN TRANSITIONS TO A FULL-TIME CALTEX EMPLOYEE

After three years interning with Caltex and finishing her university degree, Madelaine was offered a full-time role in the Caltex Internal Communications Team.

Caltex's Head of Internal Communications, Sam Sheldon, said that being able to offer a CareerTrackers intern a full-time role at Caltex based purely on merit, showcases the success of the program.

"Throughout her internship, Maddy demonstrated an extremely mature approach to corporate life. Her willingness to learn, coupled with her communication skills and 'give anything a go' attitude made her stand out from the beginning. So when we had an opportunity open up in our team for a Communications Co-Ordinator, Maddy was who I thought of first."

"In fact, rounding out the Internal Communications team here at Caltex is another CareerTrackers Alumni, Amanda Fisher. Our team really does prove that the CareerTrackers program breeds some of Australia's best employees and I am proud to work with two talented and driven women."



Reconciliation Action Plan

Our Reconciliation Action Plan (RAP) continued to be a key focus for the business in 2019, with many of our commitments being delivered throughout the year. Our inaugural RAP, which has a time period of two years, provides us with a framework to play our part in advancing reconciliation in our communities and networks.

Research shows that by supporting Aboriginal and Torres Strait Islander businesses, these businesses can then generate significant positive outcomes for themselves, their families and communities. In 2019, we joined Supply Nation as a way to better identify opportunities and support for Indigenous businesses. Our newly formed relationship with Supply Nation comes as a commitment to our Reconciliation Action Plan, and in 2020 we will be increasing our focus on identifying opportunities to source from Indigenous businesses.



Some key highlights include:

- Our new partnership with the Stars Foundation, which improves the health and education outcomes for Indigenous girls;
- Continuing our strong relationship with the Clontarf Foundation, which improves the education, discipline, life skills, self-esteem and employment prospects of young Aboriginal and Torres Strait Islander men;
- Celebrating NAIDOC Week;
- Strengthening our relationship with key stakeholders such as the La Perouse Local Aboriginal Land Council and Metropolitan Local Aboriginal Land Council;
- Employment of 10 CareerTracker interns during 2019, and converting one intern into full-time employment; and
- Commemorating National Reconciliation Week and NAIDOC week with our employees.





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Making life easier for our customers

Finding innovative ways to make a difference for our customers is imperative to our business.

Throughout 2019, we delivered, supported and rolled out varying programs and initiatives which all had one goal in mind – to make life easier for our customers.

74

Net promoter score (NPS) (up from 67 in 2018)

85%

Customer Satisfaction score

Voice of the Customer 2019 results

Listening to our customers

In 2018, we launched our Voice of the Customer, a customer experience program aimed at making a difference for our customers by getting real time feedback. Through Voice of the Customer, we are able to understand our customers' experiences, measure our Net Promoter Score (NPS) and overall customer satisfaction, and in turn, improve the experience across our network. In 2019, our overall satisfaction sat at 85%, while our NPS grew 7 points, in comparison with 2018. Voice of the Customer will continue to be a key part of our network in 2020, ensuring that our stores are evolving with customer needs and delivering on our goal to making life easier.

UberEats

Our new partnership with UberEats delivers a new level of convenience for Australians seeking the ultimate convenience. Initially set up as a trial across 27 stores, we aimed to test and lead change by giving customers what they want, when they want. Following a successful pilot, we rolled out over 50 products from our The Foodary range from 300 sites nationally via the UberEats app. This partnership is an example of how we are committed to finding new ways to service our customers.

There have been over 68,000 UberEats orders from our retail sites since the September 2019 launch.

#1

in Australian transport fuels

3M+

Over 3 million customers served each week

Caltex Woolworths Metro

2019 was a milestone year in our expanded partnership with Woolworths as we officially opened the doors to our first Caltex Woolworths Metro store in the Sydney suburb of North Ryde.

The new store format, which is owned and operated by Caltex, features a curated product range perfect for customers looking to grab something fresh to eat for breakfast, lunch or dinner or to pick up high quality fresh food and groceries for later.

Our second Caltex Woolworths Metro opened in Kingsford in NSW, with more to come in 2020.





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Fuel Pay

Officially launched in late 2018, and available in more than 600 stores, FuelPay is a new feature in the Caltex app allowing our customers to pay for fuel without having to queue in-store or leave their vehicle. In 2019, we also launched FuelPay on the StarCard app – the FuelPay solution for our valued business customers.

In 2019, as a result of the launch FuelPay, Caltex was recognised as one of Australia and New Zealand’s Most Innovative Companies. As part of the Australian Financial Review’s Boss Most Innovative Companies List, Caltex ranked third on the Retail, Hospitality, Tourism and Entertainment list for our innovative customer app solution.

HaloGo

Australia’s first on-demand fuel delivery service, proudly supported by Caltex, launched in Melbourne in December 2019. HaloGo’s trained crew deliver Caltex Vortex Premium fuel to customers while they work, with Lexus Port Melbourne head office employees the first to try the service. We are proud sponsors of this innovative start-up business.

HaloGo has sights to expand to select Secure Parking locations in Melbourne, allowing customers to have their car filled with petrol or diesel while at work. Throughout 2020, they’re planning to expand across Australia and Singapore, as well as launch an easy to use app where customers can order on-demand fuel anywhere, anytime.

Providing healthy and ethical food choices for our customers

During the year, we launched a healthy snacking range providing our customers with a range of snacks and nutritional beverages that are free from additives and with reduced sugar, salt and trans-fats. We are also looking to broaden healthy food options for our customers including salads and sandwiches. This year we also made a commitment to selling only 100% case free eggs in our stores.



Priorities for 2020

- Develop a refreshed Group Community Strategy, focussing on community investment, employee engagement and volunteering, site-based community engagement and partnering activities
- Implementation and development of refreshed Reconciliation Action Plan
- Optimise ethical sourcing and healthy food range across our retail network



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Climate change considerations for our business

We acknowledge that climate change is affecting a wide range of businesses and industries across the globe, with this presenting both financial risks and opportunities. We also acknowledge the need for greater transparency by organisations on climate-related risks and opportunities and therefore support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We have committed to full disclosure alignment with the TCFD framework by 2021.

We have been working to implement the TCFD framework across its core elements: governance, strategy, risk management, and metrics and targets; making the management of climate change "business as usual".



Caltex has a role to play in the transition to a low carbon future.

The emergence of alternative fuels, such as bio jet, biofuels, compressed natural gas, liquified natural gas and hydrogen, presents significant opportunities for Caltex and our customers, especially through our market-leading supply chain and retail network.



Louise Warner,
EGM – Fuels and
Infrastructure



904,207^T

Scope 1 and Scope 2
carbon emissions



~20^B

Litres fuel supplied
in 2019, 40% of total
volumes sold were
premium fuels



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TCFD framework implementation

Outlined below is the progress we have made to date and our areas of focus for 2020.

	Progress to date	Priorities for 2020
Governance	<ul style="list-style-type: none"> The Board oversees the Caltex enterprise risk management framework; climate-related risk is identified as a material risk Board approved Climate Change Position Statement Safety and Sustainability Committee oversees implementation of Climate Change Position Statement and supporting Climate Change Risk Strategy ESG Project Review Board (executive management) oversees delivery of Climate Change Risk Strategy At the management level, climate responsibilities have been assigned to the Executive General Manager, People, Communications and Governance – responsible for legal, risk, corporate affairs and people 	<ul style="list-style-type: none"> Enhanced climate change risk management, inclusive of risk metrics which are responsive to evolving risks and regulations
Strategy	<ul style="list-style-type: none"> Group-wide 2019–2021 Sustainability Strategy prepared – ‘Transition to Low Carbon Future’ a pillar of strategy Energy transition integrated into broader corporate strategy, forming part of the ‘Extend’ pillar Delivery of low carbon products and services for customers and investment in renewable energy Sustainability and climate change integrated into the five-year Corporate Business Plan, including setting of internal targets Completed climate scenario analysis for IPCC 1.5°C and IEA 2°C and above 3°C scenarios and prepared Climate Change Risk Strategy 	<ul style="list-style-type: none"> Further integration of climate scenario assumptions into fuel modelling, strategic models and business planning processes used by the business Development of an energy transition strategy focusing on business portfolio diversification opportunities including alternative fuels and the broader energy sector Customer engagement to identify customer climate risks Consideration of ESG/climate change performance metrics for relevant personnel as part of broader remuneration strategy
Risk Management	<ul style="list-style-type: none"> Enhanced enterprise risk management framework guiding how we identify, monitor and manage material risks Climate change included as material risk to be reported to the Board, risk appetite statement prepared Monitoring of policy, market and technology changes, together with stakeholder expectations to inform appropriate management response 	<ul style="list-style-type: none"> Introduction of a shadow carbon price as part of capital investment framework Staff training and awareness to increase understanding of climate change risk Embed physical climate change risk considerations into design and development standards
Metrics and Targets	<ul style="list-style-type: none"> Established baseline for carbon and energy metrics 	<ul style="list-style-type: none"> Development of an energy transition strategy focusing on business portfolio diversification opportunities including alternative fuels and the broader energy sector. Investigation of metrics and/or targets to support the strategy



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Climate scenario analysis

Undertaking climate scenario analysis allows our business to estimate how we are positioned for different climate futures both in the medium to longer term. In building a better understanding of the possible risks and opportunities posed by climate change, we are able to respond and implement measures to build business resilience in the longer term.

During the year we tested our operations and corporate strategy against three plausible climate futures including the International Energy Agency's (IEA) New Policies (2°C) and Current Policies (above 3°C) scenarios and the Intergovernmental Panel on Climate Change (IPCC) 1.5°C scenario. This analysis showed that our business is exposed to both transitional and physical risks posed by climate change.

Risk Type	Description	Time Horizon	How we are responding
Transitional	<p>Fossil fuel product redundancy</p> <p>Reducing demand for Caltex's products due to technology advances including the introduction of EVs, shifting market conditions and consumer preferences and policy changes that incentivise lower emission transport modes including alternative fuels.</p>	Medium to long-term	<p>Scenario analysis and embedding climate change considerations into strategic and business planning processes</p> <p>Investment in and piloting of low carbon solutions, e.g. EV charging stations and alternative fuels</p> <p>Development of an energy transition strategy focusing on business portfolio diversification opportunities including alternative fuels and the broader energy sector</p> <p>Gaining climate risk insights to better understand potential vulnerabilities to our business strategy including ongoing monitoring of policy, market and technology developments</p>
Transitional	<p>Asset impairment</p> <p>Caltex's assets such as the refinery, terminals and retail sites not realising their full value due to reduced demand for fossil fuel products.</p>	Long-term	<p>Scenario analysis and embedding climate change considerations into strategic and business planning processes</p> <p>Divestment/sale or repurposing of assets</p> <p>Development of an energy transition strategy focusing on business portfolio diversification opportunities including alternative fuels and the broader energy sector</p> <p>Gaining climate risk insights to better understand potential vulnerabilities to our business strategy including ongoing monitoring of policy, market and technology developments</p>



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Risk Type	Description	Time Horizon	How we are responding
Transitional	<p>Financial market policy and regulation</p> <p>Increasing risk of shareholder divestment as asset managers take account of climate risk into decision-making, increasing market regulation resulting in reduced access and increased cost of capital.</p>	Medium to long-term	<p>Introducing an internal carbon price as part of capital investment evaluation process</p> <p>Scenario analysis and embedding climate change considerations into strategic and business planning processes</p> <p>Gaining climate risk insights to better understand potential vulnerabilities to our business strategy including ongoing monitoring of policy, market and technology developments</p> <p>Adoption of TCFD recommendations for reporting and disclosures</p> <p>Active stakeholder engagement, including with shareholders to explain Caltex's climate change approach</p>
Transitional	<p>Carbon pricing</p> <p>The introduction of a domestic carbon pricing mechanism or other similar instrument that results in a liability for Caltex for its operational emissions</p>	Medium to long-term	<p>Reducing operational carbon emissions inclusive of energy efficiency programs</p> <p>Investment in additional renewable energy for operational use</p>
Physical	<p>Supply disruption</p> <p>Extreme weather events causes supply disruption to sites and customers</p>	Short, medium and long-term	<p>Emergency response processes</p> <p>Embedding physical climate change considerations into design and development standards</p>
Legal/reputation	<p>Litigation and activism</p> <p>Increased risk of litigation and shareholder activism for failing to respond to the impacts of climate change.</p>	Short, medium and long-term	<p>Clear climate change public position statement</p> <p>Adoption of TCFD recommendations for reporting and disclosures</p> <p>Active stakeholder engagement, including with shareholders to explain Caltex's climate change approach</p>
Legal/reputation	<p>Reputational</p> <p>Failure to meet community and employee expectations to address climate change, resulting in the loss of social license to operate</p>	Short, medium and long-term	<p>Clear climate change public position statement</p> <p>Adoption of TCFD recommendations for reporting and disclosures</p> <p>Active stakeholder engagement, including with shareholders to explain Caltex's climate change approach</p>

Climate-related Risk Definitions

Transition risks relate to changes in policy, law, markets and technology that are necessary for the transition to a low carbon economy.

Physical risks stem from the direct impact of climate change on our physical environment, such as resource availability, supply chain disruption and damage to assets from severe weather.



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2019 – 2021 Climate Change Risk Strategy

In 2019, we prepared a Climate Change Position Statement, outlining our commitment to reduce emissions and play a role in the transition to a low carbon future.

We have prepared a three-year climate change risk strategy which seeks to operationalise our Climate Change Position Statement and address the risks and opportunities we identified in our 2019 climate scenario analysis work. We acknowledge that our approach must inform and fully integrate with our corporate strategic objectives. In addition, given that this area continues to rapidly evolve, we expect to regularly review our approach ensuring that it considers emerging scientific knowledge, policy and regulatory changes, technology developments and stakeholder expectations.



The three key pillars of our approach are outlined below.



Reducing risk:

- Introduction of internal carbon price for investment and strategic decision making
- Incorporate climate risk considerations into business planning and strategic decision-making processes
- Enhance transparency and reporting on climate-related risks and opportunities
- Embed physical climate risk considerations into our planning processes
- Active engagement with stakeholders including meeting with shareholders to explain our approach
- Gaining climate risk insights to better understand potential vulnerabilities to our business strategy including policy, market and technology developments



Enhancing value:

- Development of an energy transition strategy focusing on business portfolio diversification opportunities including alternative fuels and the broader energy sector
- Consideration of ESG/climate change performance metrics for relevant personnel as part of broader remuneration strategy



Corporate responsibility:

- Reduce operational carbon emissions inclusive of energy efficiency programs
- Introduce more renewable energy for operational needs
- Advocate for a long-term policy framework that supports an effective transition to a low carbon economy



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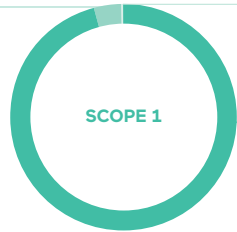
Metrics

FY2019 Carbon emissions profile

Scope 1

3.8%

OTHER



0.2%
KURNELL TERMINAL

96.0%
LYTTON REFINERY
AND MANUFACTURING

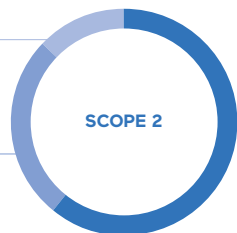
Scope 1 emissions by gas (tonnes)

Carbon dioxide CO ₂	Methane CH ₄	Nitrous Oxide N ₂ O	Sulphur Hexafluoride SF ₆
643,497	5,726	843	10

Scope 2

12.6%

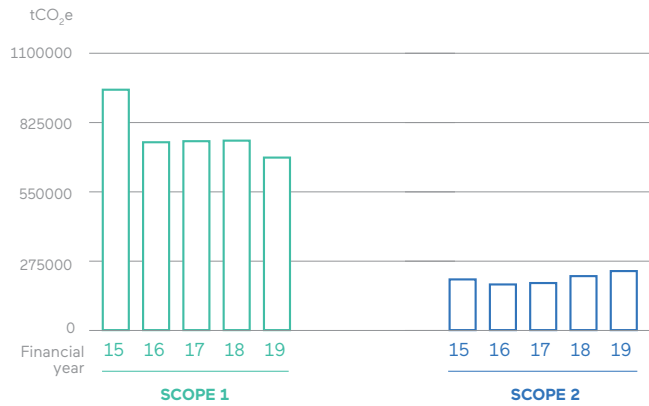
OTHER



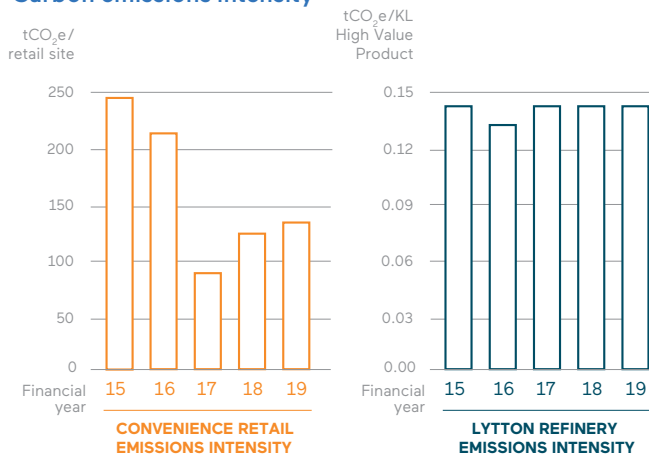
61.0%
LYTTON REFINERY
AND MANUFACTURING

26.4%
CONVENIENCE
RETAIL

Total carbon emissions



Carbon emissions intensity



Positioning for the transition to a low carbon future

Whilst our demand forecasting and modelling sees Australian liquid fuels demand growing over the short to medium term, albeit at a slower rate than we have seen over the past few years, we recognise that these volumes will likely decline over the longer term. As a key pillar of our corporate strategy, and leveraging our current strengths and capabilities, we are actively evaluating alternative energy and mobility options to meet our customer's needs in the future. Our current focus is on electric vehicles, biofuels, LNG and hydrogen.



REDUCING
EMISSIONS FROM
OUR OPERATIONS



CREATING LOW CARBON
PRODUCTS AND
SOLUTIONS FOR OUR
CUSTOMERS



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EV charging

In 2019 we were proud to form a partnership with EVIE, the largest ultra-fast EV charging network in Australia. EVIE are currently building a network of 40 highway charging sites across Australia, and through our partnership we are initially targeting charging stations at 7 of our retail sites.

Working with our customers to deliver lower fuel emissions

We continue to work with our customers to improve the performance and efficiency of our fuels and develop new premium fuel products to meet their needs. Caltex has been at the forefront of introducing fuel additive technology into the Australian market and we continue to evaluate new advances in fuel additives to assist customers in increasing their fuel efficiency whilst restoring lost power, thereby ensuring vehicles continue to operate effectively in the Australian environment. A particular focus in the development of the technology of our premium fuel products is the reduction in hydrocarbon emissions, causing less harm to the natural environment and human health.

We continue to undertake trials with our customers for heavy duty mining machinery, passenger buses and trucks using Caltex ActiveTecD performance diesel. Results from these trials have shown an improvement in fuel efficiency and the reduction of hydrocarbon and particular matter emissions as a result of cleaner fuel system performance.



Priorities for 2020

- Enhanced climate change risk management, inclusive of risk metrics which are responsive to evolving risks and regulations
- Further integration of climate scenario assumptions into fuel modelling and strategic models used by the business
- Development of an energy transition strategy focusing on business portfolio diversification opportunities including alternative fuels and the broader energy sector. Investigation of metrics/and or targets to support the strategy
- Consideration of ESG/climate change performance metrics for relevant personnel as part of broader remuneration strategy
- Introduction of a shadow carbon price as part of capital investment framework
- Staff training and awareness to increase understanding of climate change risk
- Embed physical climate change risk considerations into design and development standards



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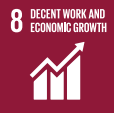

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Appendix A – UN Sustainable Development Goals Progress

SDG	Key Targets	How we contributed in 2019
 <p>4 QUALITY EDUCATION</p>	<p>4.2 Ensuring all girls and boys complete primary and secondary education</p> <p>4.4 Increase number of youth and adults who have relevant skills involving technical and vocational skills for employment, decent jobs and entrepreneurship</p> <p>4.5 Eliminate gender disparities in education including persons in education with a disability, indigenous peoples and children in vulnerable situations</p>	<p>Creating positive impact</p> <ul style="list-style-type: none"> Continued investment (\$3.14 million) to community partners including Clontarf Foundation, Stars Foundation and CareerTrackers, supporting Aboriginal and Torres Strait Islander peoples Continued delivery of the Caltex Graduate program
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>7.1 Ensure access to affordable, reliable and modern energy sources</p> <p>7.2 Substantially increase the share of renewable energy sources</p> <p>7.3 Improve energy efficiency</p>	<p>Creating positive impact</p> <ul style="list-style-type: none"> Continuing to safely and reliably supply transport fuels, supplying approximately 20 billion litres and ~1/3rd of Australia's fuel needs Investigating and piloting alternative fuels with our customers Sourcing renewable energy for our operational use, solar panels on 47 of our retail sites Implementing initiatives to improve energy efficiency at the refinery and our retail sites
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>8.1 Sustain per capita economic growth</p> <p>8.4 Improve progressively global resource efficiency in consumption and production</p> <p>8.5 Achieve full and productive employment and decent work for women and men, including young persons and persons with a disability, and equal pay for equal work</p> <p>8.7 Take immediate and effective measures to eradicate forced labour, modern slavery</p> <p>8.8 Protect labour rights and promote a safe and secure work environment</p>	<p>Creating positive impact</p> <ul style="list-style-type: none"> \$22,360 million direct economic value generated; 7,644 employees Workplace Gender Equality Agency Employer of Choice and Pay Equity citation Continued investment (\$3.14m) to community partners including Clontarf Foundation, Stars Foundation and CareerTrackers, supporting Aboriginal and Torres Strait Islander peoples <p>Mitigating negative impact</p> <ul style="list-style-type: none"> Progressing the implementation of our Human Rights policy and framework including preparing for our Modern Slavery Statement in 2021
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>9.2 Promote inclusive and sustainable industrialisation and raise industry's share of employment and GDP</p> <p>9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes</p>	<p>Creating positive impact</p> <ul style="list-style-type: none"> \$22,360 million direct economic value generated; 7,644 employees Implementing initiatives to improve energy efficiency at the refinery and our retail sites Delivery of our Continuous Improvement Program



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SDG	Key Targets	How we contributed in 2019
	<p>10.2 Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p>	<p>Creating positive impact</p> <ul style="list-style-type: none"> Continued investment (\$3.14 million) to community partners including Clontarf Foundation, Stars Foundation and CareerTrackers, supporting Aboriginal and Torres Strait Islander peoples Workplace Gender Equality Agency Employer of Choice and Pay Equity citation Overall female representation 42.5% Female representation at leadership level 37.4% Gender pay equity ratio <1%
	<p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters</p> <p>13.2 Integrate climate change into policies, strategic and planning processes</p>	<p>Creating positive impact</p> <ul style="list-style-type: none"> Relief packages supporting communities impacted by drought and bushfires Integration of climate resilience principles into asset design and planning standards Creating low carbon products and solutions for our customers <p>Mitigating negative impact</p> <ul style="list-style-type: none"> Undertake climate scenario analysis and prepare three-year Climate Change Risk Strategy



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Appendix B – Summary of Progress Against 2018 Commitments

Sustainability Issue	Activity	Status
Health and safety	CR – Refresh of safety leadership field visits program conducted by retail leaders to assist in driving cultural and behavioural change	In progress
	CR – Safe Work Practice reviews and observations to reinforce safe work practices and leadership observations to embed correct behaviours	In progress
	CR – Launch of new personal risk assessment safety card, providing a tool for identifying hazards and prompts for taking simple steps to managing risks before starting a task	Completed
	CR – Introduction of rotacaster trolleys to reduce the risk of manual handling injuries at our retail stores	Not continuing, further analysis determined this was not an appropriate solution to managing the manual handling risk in retail stores
	CR – Vehicle impact protection program	In progress, Phase 1 complete
	F&I – Continued focus on leadership field engagements to reinforce good safety behaviours	In progress
	F&I – Continued roll out of front line safety leadership training	In progress
	F&I – Trialling Move4Life Manual handling training in depot operations following the success in aviation	Completed
	F&I – Development and implementation of a chain of responsibility system at Lytton Refinery	In progress
Diversity and inclusion	Continued focus on our inclusive and flexible workplace through initiatives such as Families @ Caltex, providing support for employees with carers' responsibilities including school holiday programs for primary school aged children, parents returning from leave and access to family wellness resources	In progress
	Extend our support of Indigenous education and employment programs	In progress via Clontarf and Career Trackers
	Continued focus on female attraction into non-traditional roles and representation in our talent development pipeline to build the number of female senior leaders and close the gender pay equity gap	In progress
	Expansion of our profile as an employer-of-choice for targeted early career programs in schools and universities, including an increase in our scholarship offering through UNSW	In progress, however have maintained current scope rather than increased scholarship offering



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Sustainability Issue	Activity	Status
Employee engagement	Re-test employee engagement through a group-wide employee engagement survey	Completed
	Measure and improve the employee experience across the employment life-cycle with a focus on attraction and selection of the right talent to enable our business plans	Ongoing
	Expand our EVP campaign to encourage greater advocacy by employment brand ambassadors	In progress
	Empowering and supporting employees to adapt and drive positive change through learning programs focussed on leadership and adaptability through to organisational change and transformation, and embedding new more agile ways of working	In progress
Carbon management and climate change	Undertake scenario analysis and based on results, embed climate considerations into strategic and financial planning, investment and procurement frameworks	In progress
	Continued roll out of PV panels in Western Australia	Completed
	Enhancing our group-wide environmental governance and reporting practices, to ensure a consistent and consolidated approach	In progress
	Continued delivery of the UPSS monitoring and replacement program	In progress
Resource efficiency	Continue to work with regulators and other stakeholder on PFAS issues	In progress
	Improving and consolidating environmental reporting, including setting KPIs for waste and water	Completed
	Delivery of LED lighting upgrades at 28 retail sites across NSW	Completed
	Investigate opportunities to roll out additional reverse vending machines across our stores	Completed, with opportunities to expand to additional sites considered in future years
	Engaging with private label packaging suppliers on the sustainability of packaging	In progress



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Sustainability Issue	Activity	Status
Reconciliation	Strengthening our relationships with key Aboriginal and Torres Strait Islander communities by celebrating National Reconciliation Week, inviting traditional owners to do welcome to countries at our internal and external events and exploring opportunities to support an organisation that focuses on empowering Aboriginal and Torres Strait Islander women	In progress
	Building on our collective cultural awareness and respect by rolling out a cultural awareness training program, displaying acknowledgement of country signs at our sites and giving our team members the resources to conduct acknowledgement of countries	In progress
	Continuing to provide sustainable opportunities by implementing the Caltex Indigenous Employment and Retention Strategy, engaging with our current Aboriginal and Torres Strait Islander employees to consult on their experiences and reviewing our procurement policies to ensure there are no barriers for procuring goods and services from Aboriginal and Torres Strait Islander businesses	In progress
Community investment	Delivery of community investment under the Caltex Foundation including building and engaging new partners to leverage for employee engagement	In progress
	Continue to engage with and build relationships with the community in which we operate	In progress
Business	Deployment of Robotics Process Automation tooling to enhance our fresh food ordering processes and reduce waste	In progress
	Prototyping in our digital lab to improve customer experiences such as self and mobile checkout of product and fuel	In progress
	Enhancing our Caltex Risk Management Framework to support effective risk management into the future	Completed
	Delivery of an online training module for our refreshed Code of Conduct	Completed
	Engagement with suppliers on our Supplier Code of Conduct and assessment of compliance with our minimum expectations	In progress
	Establish and deliver a human rights due diligence process including undertaking a risk assessment across our three focus areas (supply chain, employees, community)	Completed
Building employee awareness and capability including targeted training on requirements of the Modern Slavery legislation	In progress	



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	2015	2016	2017	2018	2019
SAFETY					
Personal safety					
Total Recordable Injuries					
Fuels & Infrastructure	40	30	36	32	42
Convenience Retail ¹	8	15	10	52	93
Category 2 Severity Injuries					
Fuels & Infrastructure	1	1	3	1	1
Convenience Retail	0	0	0	1	0
Total Recordable Injury Frequency Rate ²					
Fuels & Infrastructure	8.2	6.9	8.2	7.7	10.7
Convenience Retail	3.3	5.7	2.9	10.4	14
Days Away from Work Injury Frequency Rate ³					
Fuels & Infrastructure	3.7	2.1	2.3	1.5	3.8
Convenience Retail	2.1	1.9	0.6	2.8	7.8
Fatalities	0	0	1	0	0
Process Safety					
Tier One Safety event	0	1	1	1	0
Tier Two Safety event	0	3	2	1	2

1. Number of retail sites have increased from 101 in 2015, 268 sites in 2017, 463 in 2018 to 583 in 2019.

2. 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.

3. 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.



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	2015	2016	2017	2018	2019
PEOPLE					
Employee headcount	2,988	2,989	4,592	6,629	7,644
Permanent full-time	2,151	2,032	2,250	2,453	2,491
Permanent part-time	538	478	689	2,254	3,183
Fixed-term contract full-time employees	60	60	46	66	51
Fixed-term contract part-time employees	0	0	0	66	5
Casual employees	239	419	1,607	1,790	1,914
Female representation (%)					
Senior Executive	28	27	38	36	40
Senior Manager	28	28	31	34	35
Other Manager	22	29	36	42	31
Professionals	38	38	36	32	41
Technicians and trade	7	7	6	5	6
Clerical and administrative	69	70	68	53	55
Sales	51	50	54	43	46
Machinery operators and drivers	0	0	1	0	1
Age (%)					
15 – 34	32	34	51	55	56
35 – 52	47	46	35	32	31
53 – 74	21	19	13	12	13



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	2015	2016	2017	2018	2019
Female to male salary ratios (%) (like-for-like roles)					
Gender-based pay differences ¹	1.05	1.03	0.93	1.08	0.40
New hires by gender (%)					
Male	55	55	59	55	51
Female	45	45	41	45	49
Internal promotions (%)					
Male managers (Grade 56+)	67	67	54	66	69
Female managers (Grade 56+)	33	33	46	34	31
Male non-managers (</= Grade 55)	43	60	54	54	59
Female non-managers (</= Grade 55)	57	40	46	46	41
Employee engagement					
Employee engagement score (%)	58	n/a	n/a	83	82
Employee participation in employee engagement survey (%)	56	n/a	n/a	73	71
Turnover (%)					
Voluntary	5	14	20	23	27
Parental leave					
Employees who took parental leave during the year	75	78	82	118	55
Employees returning to work after parental leave during the year (%)	97	99	95	95	94

1. As at April of each year, following the completion of our remuneration review.



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	2015	2016	2017	2018	2019
ENVIRONMENT					
Carbon emissions¹					
Scope 1	938,735	733,537	711,830	739,832	673,668
• Lytton Refinery	638,437	702,180	708,369	710,907	647,069
• Kurnell Terminal	267,353	1,601	1,596	1,595	1,601
• Other	32,945	29,756	1,865	27,330	24,998
Scope 2	197,400	178,273	179,252	210,821	230,539
• Lytton Refinery	114,462	126,693	128,991	123,705	119,199
• Kurnell Terminal	40,145	13,821	12,607	10,265	13,594
• Convenience Retail	24,345	22,183	22,837	55,681	75,874
• Other	18,448	15,576	14,817	21,170	21,872
Total emissions	1,136,135	911,810	891,082	950,653	904,207
Emissions intensity					
Convenience Retail emissions intensity (tCO ₂ e/ retail site)	241.03	209.27	85.21	120.26	130.14
Lytton Refinery emissions intensity (tCO ₂ e/ KL High Value Product)	0.14	0.13	0.14	0.14	0.14

1. Emissions estimates are prepared in accordance with the Australian National Greenhouse and Energy Reporting Determination 2008. Other includes emissions and energy consumption at corporate offices, pipelines, depots and diesel stops and marine fuels.



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Energy					
Total energy consumed (GJ)	288,189,790	241,324,624	253,740,874	252,861,147	234,439,503
• Lytton Refinery	222,597,217	240,654,585	253,470,068	252,059,387	233,561,572
• Kurnell Terminal	64,481,924	82,222	76,763	67,265	82,657
• Convenience Retail	522,007	463,550	104,827	247,076	338,695
Energy Intensity Index - Lytton Refinery ¹	98.6	96.3	98.8	99.2	102.4
Spills					
Major Spills (Vol (l) >=8,000L)	0	2	1	0	0
Minor Spills (160 < Vol (l) <8,000L)	5	6	8	5	5
Marine Spills (Any quantity)	4	3	0	0	3
Environmental Infringement notices	1	0	1	0	0
Total air emissions - Lytton Refinery (tonnes)					
CO	3,696	5,063	7,225	3,991	5,819
SO ₂	5,609	6,300	6,265	5,987	5,933
VOC	916	981	1,065	890	1,059
NO _x	882	994	983	941	888
PM	248	449	481	497	538
COMMUNITY					
Total community investment (\$m) ²	2.07	2.57	2.18	2.36	3.14
Community complaints	102	67	65	32	62

1. Data is based on Solomon Associates Energy Intensity Index 2010 methodology.

2. Total community investment value includes management costs and additional contributions to the community including employee volunteering.



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Appendix D – GRI Index

GRI Reference	Description	Relevant section/commentary
GRI 102: GENERAL DISCLOSURES		
Organisational profile		
102-1	Name of organisation	Caltex Australia Limited
102-2	Report primary brands, products and services	Caltex 2019 Annual Report
102-3	Location of organisation's headquarters	Caltex is headquartered in Market Street, Sydney Australia
102-4	Number and name of countries of operation	Caltex 2019 Annual Report
102-5	Nature of ownership and legal form	2019 Annual Report, corporate directory
102-6	Markets served	Caltex 2019 Annual Report
102-7	Scale of organisation, including: <ul style="list-style-type: none"> Total number of employees Net sales Total capitalisation broken down in terms of debt and equity; and Quantity of products or services provided 	2019 Sustainability Report, Performance data 2019 Annual Report 2019 Financial Report
102-8	Employee numbers, gender breakdown, employment type, workforce by region, variation in employment	2019 Sustainability Report, Performance data
102-9	Description of the organisation's supply chain	2019 Sustainability Report, Contribution to the Australian Economy and Community
102-10	Significant changes during the reporting period	No significant changes during the reporting period
102-11	Explanation of whether and how the precautionary approach or principles is addressed by the organisation	The precautionary principles is reflected in Caltex's approach to risk management, refer to the 2019 Corporate Governance Statement for further information
102-12	Externally developed economic, environmental and social charters, principles of other initiatives to which the organisations subscribes or which it endorses	Caltex uses the Global Reporting Initiative Reporting framework to guide its sustainability reporting



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GRI Reference	Description	Relevant section/commentary
102-13	Memberships of associations	<ul style="list-style-type: none"> Australasian Association of Convenience Stores Australian Environment Business Network Australian Industry Greenhouse Network Australian Hydrogen Council Australian Industry Group Australian Institute of Petroleum Australian Sustainable Business Group Business Council of Australia European Australian Business Council Gas Energy Australia The Sydney Institute
Strategy		
102-14	Statement from the most senior decision-maker in the organisation	Message from the Safety and Sustainability Committee Chair and CEO and MD
Ethics and integrity		
102-16	Values, principles, standards and norms of behaviour	2019 Sustainability Report, Safe and Responsible Business
Governance		
102-18	Governance structure	2019 Corporate Governance Statement



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GRI Reference	Description	Relevant section/commentary
Stakeholder engagement		
102-40	List of stakeholder groups	2019 Sustainability Report, Understanding our stakeholders
102-42	Identifying and selecting stakeholders	2019 Sustainability Report, Understanding our stakeholders
102-43	Approach to stakeholder engagement	2019 Sustainability Report, Understanding our stakeholders
102-44	Key topics and concerns raised	2019 Sustainability Report, Understanding our stakeholders
Reporting practice		
102-45	Entities included in the consolidated financial statement	2019 Annual Report
102-46	Defining report content and topic boundaries	2019 Sustainability Report, Our Sustainability Strategy
102-47	List of all material topics	2019 Sustainability Report, Our Sustainability Strategy
102-48	Restatements of information	No restatements
102-49	Changes in reporting	No significant changes in reporting
102-50	Reporting period	2019 Sustainability Report, Our Sustainability Strategy
102-52	Reporting cycle	2019 Sustainability Report, Our Sustainability Strategy
102-53	Contact point for questions regarding the report	Our Sustainability Strategy
102-54	Claims of reporting in accordance with the GRI Standards	2019 Sustainability Report, Our Sustainability Strategy
102-55	GRI Content Index	2019 Sustainability Report, GRI Index



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GRI Reference	Description	Relevant section/commentary
SPECIFIC STANDARD DISCLOSURES		
Economic		
201-1	Direct economic value generated and distributed	\$22,360 million direct economic value generated, \$21,977 million economic value distributed
Environmental		
302-1	Energy consumption within the organisation	2019 Sustainability Report, Performance data
302-3	Energy intensity	2019 Sustainability Report, Performance data
302-4	Reduction in energy consumption	2019 Sustainability Report, Continuous Improvement and Optimisation of Assets
305-1	Direct (Scope 1) GHG emissions	2019 Sustainability Report, Transition to a Low Carbon Future Performance data
305-2	Energy indirect (Scope 2) GHG emissions	2019 Sustainability Report, Transition to a Low Carbon Future, Performance data
305-5	Reduction of GHG emissions	2019 Sustainability Report, Transition to a Low Carbon Future, Performance data
306-3	Significant spills	2019 Sustainability Report, Safe and Responsible Business, Performance data
307-1	Non-compliance with environmental laws and regulations	2019 Sustainability Report, Performance data
Social		
401-1	New employee hires and employee turnover	2019 Sustainability Report, Performance data
401-3	Parental leave	2019 Sustainability Report, Performance data
403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	2019 Sustainability Report, Performance data
404-2	Programs for upgrading employee skills and transition assistance programs	2019 Sustainability Report, Safe and Responsible Business
405-1	Diversity of governance bodies and employees	2019 Sustainability Report, Performance data
405-2	Ratio of basic salary and remuneration of women to men	2019 Sustainability Report, Performance data
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2019 Sustainability Report, Performance data



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Independent Limited Assurance Report to the Directors of Caltex Australia Limited



Conclusion

Based on the evidence we obtained from the procedures performed, we are not aware of any material misstatements in the Select Sustainability Information which has been prepared by Caltex Australia Limited in accordance with Caltex policies, procedures and methodologies (the Criteria) for the reporting period 1 January 2019 to 31 December 2019.

Information Subject to Assurance

The Selected Sustainability Information, as presented in the 2019 Sustainability Report of Caltex Australia Limited (the "Company") and available on the Company's website, comprised the following:

Select Sustainability Information	Value Assured
Total Recordable Injuries (TRI) (number) – Fuel and Infrastructure	42
Total Recordable Injuries (TRI) (number) – Convenience Retail	93
Total Recordable Injuries Frequency Rate (TRIFR) – Fuels and Infrastructure	10.7
Total Recordable Injuries Frequency Rate (TRIFR) – Convenience Retail	14.0
Days Away From Work Injury Frequency Rate (DAWIFR) – Fuels and Infrastructure	3.8
Days Away From Work Injury Frequency Rate (DAWIFR) – Convenience Retail	7.8
Tier One Safety Event (number)	0
Tier Two Safety Event (number)	2
GHG Emissions Scope 1 (t-CO ₂ e) – 1 July 2018 to 30 June 2019	673,668
GHG Emission Scope 2 (t-CO ₂ e) – 1 July 2018 to 30 June 2019	230,539

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Criteria Used as the Basis of Reporting

The criteria used in relation to the Sustainability Report are Caltex policies, procedures and methodologies (*"the criteria"*).

Basis for Conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 (Standard). In accordance with the Standard 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 Caltex Australia Limited personnel to understand the internal controls, governance structure and reporting process of the information subject to assurance;
- reviews of relevant documentation including;
- analytical procedures over the information subject to assurance;
- site visits to Corporate Head Office (Sydney);
- walkthroughs of the information subject to assurance to source documentation;
- evaluating the appropriateness of the criteria with respect to the information subject to assurance; and
- reviewed the Sustainability Report in its entirety to ensure it is consistent with our overall knowledge of assurance engagement.

How the Standard Defines Limited Assurance and Material Misstatement

The procedures performed in a limited assurance engagement vary in nature and timing from, 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 Caltex Australia Limited.



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Use of this Assurance Report

This report has been prepared for the Directors of Caltex Australia 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 Caltex Australia 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 2019 to 31 December 2019, 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 Control 1 to maintain a comprehensive system of quality control.

KPMG
28th February 2020

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