



SUSTAINABILITY REPORT 2022

United Petroleum Group

July 2022





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A NOTE ON THIS REPORT

The United Nation's Sustainable Development Goals have informed this report. United is committed to assisting and making progress on these goals where relevant and applicable. While not necessarily referring to specific goals throughout the document, they have been relied on for direction during the development of this report.



A MESSAGE FROM MANAGEMENT

The United Petroleum Group is an independent, 100 per cent Australian owned petrol and convenience company operating more than 450 retail stations across the country. United also transports fuel, operates fuel import terminals, imports fuel and trades fuel in Singapore among other related downstream oil activities.

In 1993 our first service station and convenience store opened in South Australia. United then expanded into all Australian states and territories, providing customers across Australia with quality fuels at very competitive prices.

Over time, United has grown in retail site numbers through acquisition and building new locations. It also vertically integrated to capture value along the supply chain, developing world class customer value propositions both in the business-to-business and business-to-community markets.

From little things big things grow. United now has a national presence, directly and indirectly employs more than 3,000 people, serves more than 7million customers per month and supports more than 223 communities in all states and territories in Australia.

This report provides a snapshot of how we incorporate environmental, social and governance principles into our practices and policies, whether they relate to how we store and transport our fuel, operate our retail outlets and support our people.

Our sector is collectively looking to tackle the challenges of climate change, and United is proud to be an industry leader – our practices are becoming more sustainable, our systems are continuously improving, and our products are becoming more environmentally friendly.

As a company we deepen our ties with the communities we serve, supporting them in good times and bad. United contributes to the construction of new sports facilities and also distributes food and fuel in times of flood, drought and fire.

Our Melbourne head office employs people representing 36 nationalities and almost half of our staff were born outside of Australia. This is a significant achievement of which we are immensely proud. It did not happen by accident but is a result of recruitment and hiring policies that give everyone a fair go.

United's continuous improvement program sees the company taking steps to improve all aspects of our business - making it cleaner, better and more efficient while also seeking to reduce our environmental footprint.

On behalf of United Petroleum, we are delighted to present United's first sustainability report. It sets out our commitments and ambitions to how we can work with our people, suppliers and customers to collectively achieve better sustainability outcomes now and into the future.



David Szymczak

Chief Executive Officer



Ben Morgan

National Health, Safety,
Sustainability & Environment
Manager

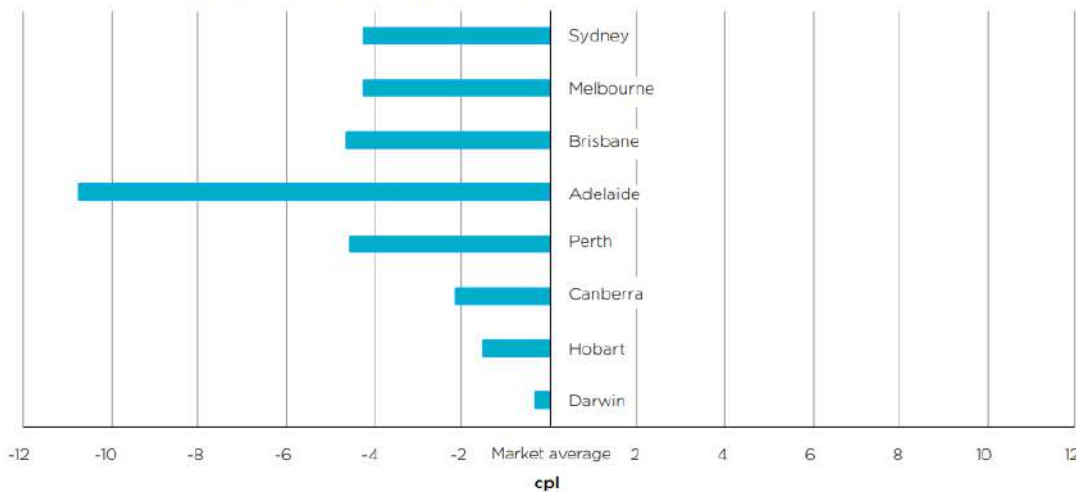
Areas	Actions	Aims
Growing the economy	<ul style="list-style-type: none"> ▶ Providing quality fuels at competitive prices ▶ Creating jobs and providing ongoing training and development ▶ Growing supply opportunities ▶ Safeguarding supply to keep costs down ▶ Contributing to national security resilience 	<p>Ongoing task</p> <p>Continue to provide growth in direct and indirect employment</p> <p>Increase storage capacity to support national security resilience</p>
Protecting our planet	<ul style="list-style-type: none"> ▶ Taking steps to secure a sustainable pathway to net zero emissions policies ▶ Incorporating native fauna and landscaping ▶ Reducing fuel pollution ▶ Developing plans that consider emerging technologies such as the integration of vehicle charging stations at its service stations ▶ Working with our suppliers to make supply chains more sustainable 	<p>Drive down our emissions by adopting new technologies as they become feasible</p>
Contributing to community	<ul style="list-style-type: none"> ▶ Providing in kind and monetary contributions to local clubs ▶ Responding to crisis by providing emergency assistance ▶ Offering fundraising opportunities to the communities we serve ▶ Stocking locally sourced produce and products 	<p>Ongoing task</p> <p>Continue to donate monies to support our communities</p>
Producing better products	<ul style="list-style-type: none"> ▶ Introducing innovations to reduce food waste ▶ Promoting sustainable practices across United's supply chain ▶ Transitioning Pie Face outlets to fully recyclable packaging ▶ Current sale of E10 fuel, a more environmentally friendly fuel ▶ Future sale of hydrogen fuel, made from renewable energy sources and almost entirely non-polluting 	<p>100% recycling packaging of all products by 2040</p> <p>Introduction of EV charging stations by 2030</p> <p>Introduction of hydrogen refuelling facilities as soon as the market is ready</p>

High quality, low prices

United is committed to providing competitive prices throughout the year and around the country. As a result our customers have more money to spend on other goods and services that in turn supports local business and the national economy.

A 2021 Australian Competition and Consumer Commission report showed how our products cost less than those offered by our competitors and reduces the cost of travel for Australian families and businesses.^{1 2}

Chart 2.13: Difference between United’s annual average petrol price and the market annual average petrol price in each of the capital cities in 2020



Source: ACCC calculations based on Informed Sources data.

The table above shows that United’s average prices were lower than market average prices in all capital cities in 2020, ranging from 10.7 cents per litre lower in Adelaide to 0.3 cents per litre lower in Darwin.

On average across the nation’s five largest capital cities, United’s average prices were 5.6 cents per litre lower than market average prices. On average across all eight capital cities, United’s average prices were 4.0 cents per litre lower than market average prices.³

SAVINGS FROM SHOPPING AROUND

In 2020, a motorist switching from the highest to lowest priced petrol retailers could have made significant savings.**

Sydney	\$445	Perth	\$216
Melbourne	\$317	Canberra	\$200
Brisbane	\$174	Hobart	\$78
Adelaide	\$330	Darwin	\$55



1 <https://www.accc.gov.au/media-release/cheaper-petrol-at-independent-chains-offers-half-a-billion-dollars-in-savings>
 2 <https://www.accc.gov.au/publications/petrol-industry-reports/independent-chains-generally-have-the-lowest-prices-report-on-petrol-prices-by-major-retailer-in-2019-and-2020>
 3 Independent chains generally have the lowest prices - report on petrol prices by major retailer in 2019 and 2020 p 36.
 4 Ibid, P 1.

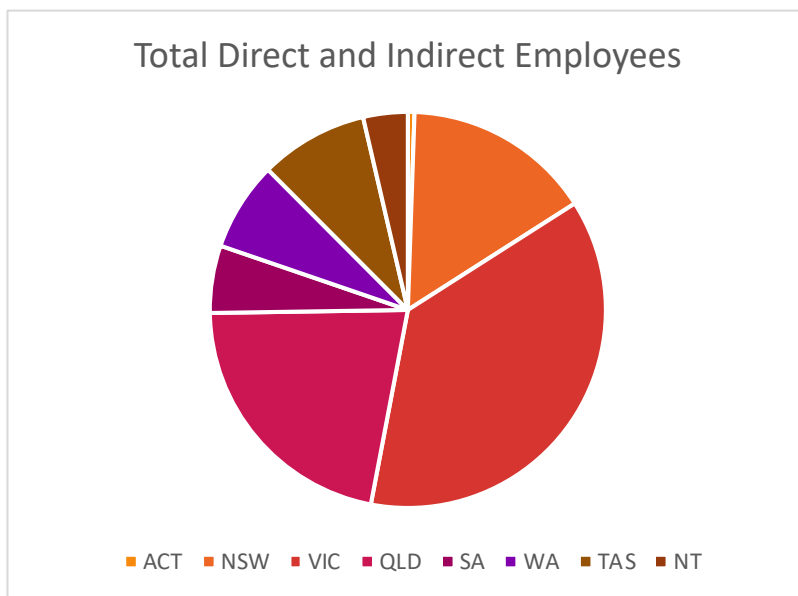
Creating jobs

United directly and indirectly employs more than 3,000 people around the country in retail stations and the Melbourne head office – and this number keeps growing.

There are more than 370 United petrol stations around Australia that are operated by commission agents. On average these sites each employ seven people. The 60 sites managed by dealers employ an average of five people per site.

United Petroleum is renowned as an equal opportunity employer. Just like the Australian community, our people come from a diverse range of cultural and ethnic backgrounds. It is our people, their ideas, creativity and commitment that help fuel our growth. Our values guide how we perform our duties, support our people and service our communities.

As a company founded by migrants, United is proudly multicultural. Employment at United provides financial freedom and mobility to thousands of current and former employees. Our Melbourne head office is staffed by people from 36 different ethnic backgrounds, of which almost half were born outside of Australia.



State	Direct and Indirect Jobs across Australia
ACT	11
NSW	314
VIC	754
QLD	443
SA	112
WA	148
TAS	180
NT	74

Significantly, women make up almost 40% of our direct workforce. We achieve this by offering generous paid maternity leave and flexibility to further reduce the gender disparity.

Local and family businesses play an important role in the United supply chain with a quarter of our suppliers locally owned, producing Australian made products.

Skilling the workforce

United has best practice policies on health, safety and environment, modern slavery, security, anti-corruption and workplace bullying policies to ensure our people meet community standards and exceed expectations. A diverse mix of training opportunities help enable our people to excel personally and professionally.

Effective, robust reporting and complaint processes and guidelines as well as equal opportunity, anti-discrimination, anti-bullying, making complaints and whistleblowing policies characterise an organisation that is committed to the safety and wellbeing of its people.

Testimonial: Ramakrishna “Ram” Dharavtha, Hampton Park

Ram migrated from India to Australia in 2017 to complete his Masters in Information Technology with a hope of gaining a placement on a graduate program in a technology firm. To make a living while in Australia, Ram was able to secure a job as a console attendant at a United Petroleum site. At first it was a job like any other, a way to make ends meet, however Ram soon found his calling when the first Pie Face products went on sale, “You could see how happy customers were when they were able to get low-priced quality fuel and a great tasting premium pie in one location. I felt great being able to be a part of that.”

Ram quickly learned the ropes of running a Pie Face site to deliver a great customer experience, using his United training to excel at customer service, upselling and growing his fuel knowledge. In 2020, his hard work paid off and the opportunity to run his own site was presented to him, “When the opportunity to run Hampton Park came up, I took it straight away. I knew if I worked hard, the United formula is one for success. I’ve never looked back.”

Adding to this Ram says United have been a great support in growing his business.

“During COVID my business was not performing well and it was hard to keep the site manned with many staff in isolation, United understood my situation. They worked with me to reduce my site hours for the staff I had and provided financial relief to ensure my business was able to continue to operate during the peak of the COVID pandemic.”

“United provide so much guidance and support to help me with my business. In addition to the support of my State and Area Managers, United provide regular audits to show where I can improve my business. I really value the coaching and guidance the auditors provide when they visit.”

Testimonial: Kiran Boppana, Westgate South

Kiran migrated from India to Australia in 2003 as a university student. Kiran found work to support himself while completing his studies as a console attendant at an independent service station. As Kiran finished his studies and was looking for full time work, the service station changed hands and became a United Petroleum site. As Kiran learned the United Petroleum way he began to see the opportunities in running his own site. Kiran has enjoyed a long relationship with United, from owning franchisee sites, running multiple sites and recently striving for retail excellence at the Westgate South site.

“Being a Commission Agent for United Petroleum is great and has turned out well for me. The costs to start running a site with United are not a huge hurdle as they are with other businesses, which means with hard work you can get a quick return on your investment.”

“Partnering with United I have been able to build myself a great life in Australia and purchase my own home.”

By providing extensive health and safety training to our people, including commission agents and their staff, we position them for success in operating a retail service station site. United also provides training in retail operations, allowing those who may not have experience to quickly develop their skills and knowledge to be a successful business operator.

United offers 60 online training models for new site operators and employees that take up to 30 hours to complete. Topics covered include food management, health and safety, LPG safety, retail site robbery prevention, customer service, forecourt safety and presentation, food safety, hygiene and equipment.

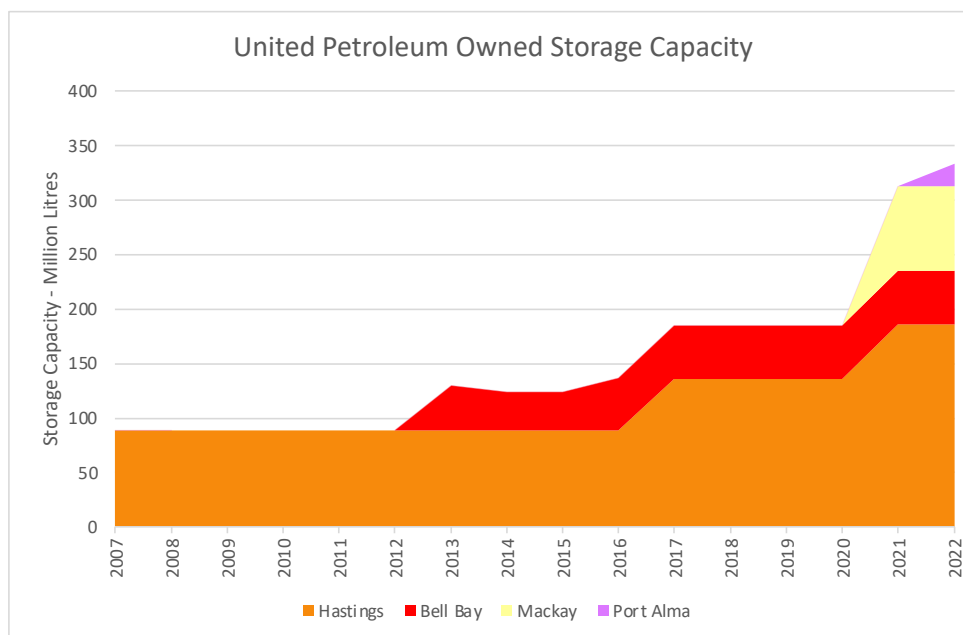
Additional training is available with dedicated trainers assigned where appropriate. Training is not a once off activity at United. Coaching and continuous improvement are embedded into the retail operational structure.

Infrastructure and transport

Without government funding, United continues to expand and improve the national storage capacity and transportation network, helping Australia’s national security, independence and resilience.

Since the 2007 purchase of its flagship import terminal at Hastings in Victoria, United has increased its storage capacity through capital investment in additional storage tanks as well as purchasing new fuel terminal sites to secure additional storage capacity to meet Australia’s fuel requirements.

Operating terminal facilities across Australia supports local communities by bringing jobs to those areas through service station employment opportunities and indirectly through the locally sourced goods and services required to operate the facilities.



United also plans to build a 25 million litre storage tank in Tasmania and a further two 25 million litre storage tanks at Hastings in Victoria. We are also actively working with key industry partners in the development of green hydrogen as a replacement fuel.

United Petroleum Transport maintains a modern fleet of heavy vehicles which ensures excellent fuel economy, the lowest possible emissions and the most advanced safety features and driver aids. This is demonstrated with an average prime mover age of 3.5 years across the fleet which travels over 8.3 million kilometres per year to deliver 1.4 billion litres of fuel to customers.

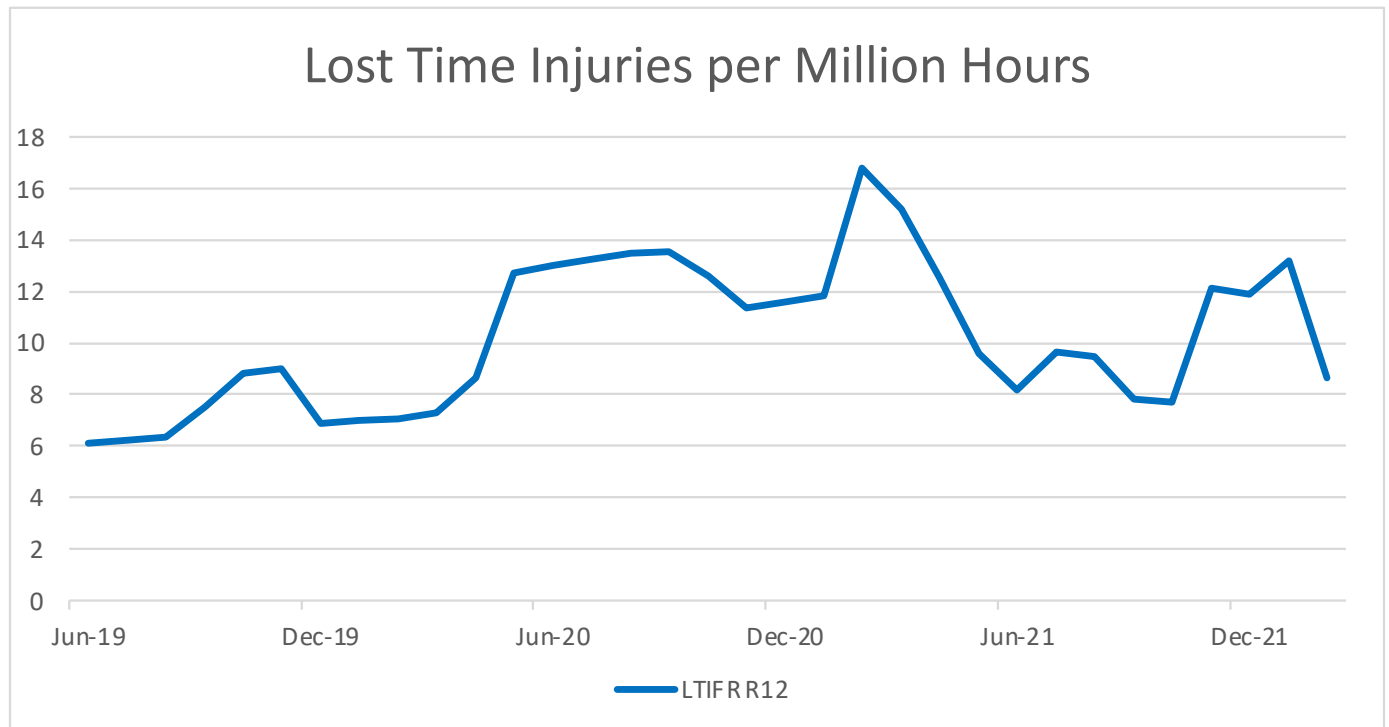
To keep the transport fleet in excellent condition, United Petroleum Transport has a network of preferred maintenance contractors ensuring the repairs and maintenance are carried out correctly and to a high standard.

With improved storage capacity, better infrastructure and a vast logistical network, United contributes to the Australian economy’s resilience and capacity.

Safety

Ensuring the safety of our people, customers, suppliers and communities will always be United's priority. United operates a safety management system centred around robust procedures, comprehensive training, prompt reporting and auditing.

In United Petroleum Transport, there is rigorous training to ensure drivers and traffic safety is industry leading. Using online and offline reporting processes, we ensure employees can easily report hazards, near miss and incident events. The dedicated safety team partner with line management to investigate and ensure corrective and preventative actions are implemented.



In addition to the extensive driver training program, United Petroleum Transport has installed driver technology aids to ensure the safe operation of heavy vehicles with each heavy vehicle equipped with an 'MTDATA' tablet computer to manage the safety systems involved.

Environmental protection now and into the future

United has made big improvements regarding our environmental impact, especially when it comes to operational and site facilities. At United, we focus on reducing our impact on the planet without compromising safety, quality, value or service.

We are committed to reduce our Co2 emissions from our stores to net zero by 2050. To help do this, we have rolled out LED lighting at retail outlets. Commencing in 2017, United Petroleum has partnered with local electricians to upgrade canopy lighting systems to energy efficient LED lights. Canopy lighting is an important safety feature of a retail service station, ensuring safe paths of travel for customers and ensuring console operators can identify and react to hazards quickly. The LED lights replace older technology metal halide lights, improving brightness and reducing operating costs and maintenance requirements. Completing the work across more than 190 sites has saved more than 2100MWh per year of electricity, which equates to CO2 emission reduction over 1500T and 1390T in 2020 and 2021 respectively. Following the success of the retrofit, United now install LED lights as standard in all new sites.

Other actions delivering sustainability wins include our plans to install solar panels at service stations to cut energy use even further.

All our new builds feature extensive use of wall and roof insulation to minimise the heat lost or gained from the structure. Other measures include compliant energy management systems for our refrigeration, water usage and slow-flow water taps.

We are investigating and developing plans for emerging technologies such as the integration of vehicle charging stations. That's why we are industry leaders, continuing to identify ways in which we can tread gently and further reduce our environmental footprint.

While we look to lessen our impact, we also support customers in doing the same. There are mandates requiring the sale of E10 fuel in Queensland and New South Wales. E10 fuel is better for the environment as it reduces hydrocarbon emissions by up to 30%, fine particulate emissions by up to 50% and greenhouse gas emissions by 3 - 7%. To provide choice to the consumer and, more importantly, benefits to the environment and public health, United Petroleum offers E10 at services stations in Victoria, Tasmania and South Australia as well as complying with the state government mandates.

These initiatives – and many more like them – are helping the company take steps towards achieving its long-term goal of achieving net zero by 2050.

Indigenous landscaping

United seeks to support indigenous synergy and understanding by incorporating indigenous flora in its landscaping at our sites. We carefully select plants that are indigenous to the area and best suit the local climate and soil. Our site analysis focuses on soil quality, sun, shade and privacy to ensure seamless affinity with the area, so our gardens and plants are then eco-friendly, biodiverse and water-conscious.

Where possible, we also support habitat protection to promote biodiversity on our sites and seek to have all our landscaping supplies sustainably sourced.

Reducing pollution

While United continues to increase storage capacity (improving the national security of Australia) we do so in a way that ensure minimal environmental impact.

United Petroleum operates a world class import terminal at Hastings Victoria to supply high quality fuels to the Australian market. The Hastings terminal operates a vapour recovery unit which captures the vapours from petrol

tankers as they are filled on site, preventing an average of 700 tonnes per year of volatile carbon emissions. The reduction of volatile carbon emissions is important to maintaining high air quality as they can have adverse health effects on people and generates photochemical smog in the atmosphere.

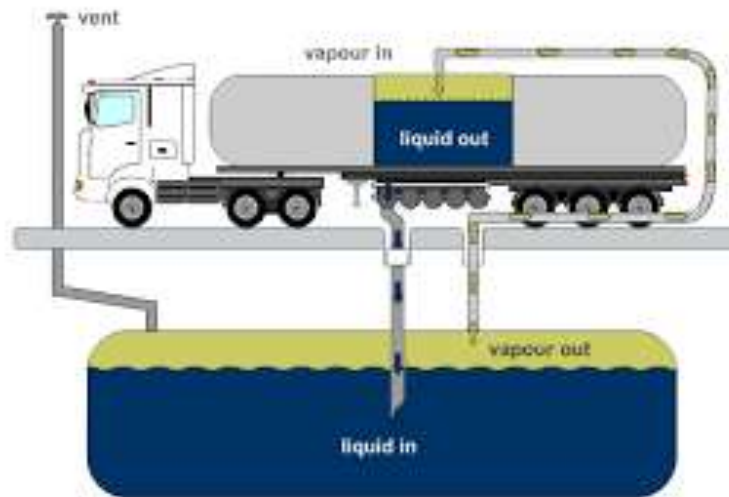


Figure 1: Vapour Recovery Process Stage 1 (VR1)

Source: [NSW EPA Standards and Best Practice Guidelines for Vapour Recovery at Petrol Stations](#)

Recovery reductions in recent recording periods has been due to changes in the demand for petrol and diesel due to COVID-19 pandemic restrictions which saw a reduction in the use of petrol fueled vehicles. Where this occurs recovery decreases as more diesel is loaded which does not generate volatile organic carbon vapours.

Sulfur is a naturally occurring component of petroleum fuels, however, United Petroleum acknowledges the role sulfur has in impairing vehicle emissions control systems and increased air pollution. Although Australian fuel standards allow for up to 150ppm of sulfur in petrol, United Petroleum works closely with its supply partners to minimise the sulfur content present in fuels. Fuels imported by United Petroleum typically contain less than 40ppm of sulfur.

Ethanol

The Dalby Bio Refinery can produce renewable ethanol for use in ethanol blended fuels using locally grown sorghum grain feedstock. The biological production process used by the Dalby Bio Refinery extracts the maximum value from sorghum grain from the fermentation process. From 1000kg of sorghum grain, 400L of ethanol is produced as well as 850kg of wet distillers grain. The wet distillers grain produced through the fermentation process grain enhances the nutritional value of sorghum grain through increasing the bioavailability of proteins and minerals. This enhanced feed is sought after by farmers where it is a valuable protein supplement for livestock.

Finally, at a macro level, we continue to be a constructive voice on legislative and regulatory efforts to promote net zero policies.

CONTRIBUTING TO COMMUNITY

Recent years have presented Australia with unprecedented challenges.

A summer of bushfires segued into the global coronavirus pandemic from which we are all still recovering. More recently Australia's eastern coast has been devastated by floods, while international geo-political affairs are leading to supply shortages.

Rather than run away from these issues, United runs to them. Our relationship with the communities we serve is testament to this.

Making positive contributions to each community we serve is a priority. When there is a crisis, United is there. We proudly supported farmers affected droughts in New South Wales, provided funding to bushfire victims in Victoria and donated supplies to fire brigade members in bushfire affected areas.

During the devastating New South Wales floods of 2018-19, United provided direct support to needy farming families by giving them \$500 fuel cards that could be redeemed for petrol, diesel or even household groceries at local United Petroleum sites. This support was provided through a \$30,000 donation in 2018 and a further \$50,000 donation in 2020.



Caption: Firefighters and helicopter used to fight fires refilling at United Bowen Roadhouse, North Queensland

We support local sports clubs, charities and community groups around Australia through the UP Community Club program, which provides members of participating organisations with a two cent per litre discount on fuel and a further two cent per litre rebate in fundraising credit – the more members of a club participating, the greater the rebate provided back to the club to spend on facilities or equipment.

This program has supported local volunteer groups for over 10 years and during this time has provided more than \$250,000 in fundraising rebates to help build stadiums, buy sporting equipment and fund activities that support community wellbeing.

More than 325 clubs and associations around the country participate in the UP Community Club program. Recent upgrades to the program include the provision of a digital card that can be loaded into a mobile wallet.



Being part of a community means lending a hand when it is needed. Recently in March 2020 when there was toilet paper and fuel shortages due to natural disasters, United will go above and beyond to ensure that our stores have the supplies necessary for the community going through hardship. This might mean emergency trucking supplies from one state to another, like we trucked 3.1 million rolls of toilet paper from Melbourne to Adelaide. All at additional cost of over \$1 million to United, but providing a key service to those communities go through that crisis at the time.

Helping our communities is part of the United DNA and so we always have more stock on hand than our competitors, so we can immediately respond to any unforeseen disruptions.

United is a participating outlet in the Cashless Debit Card program, allowing participating members of the program to purchase essentials for themselves and their family members. United seeks in this simple way to support people, families and communities in places where high levels of welfare dependence co-exist with high levels of social harm.⁵

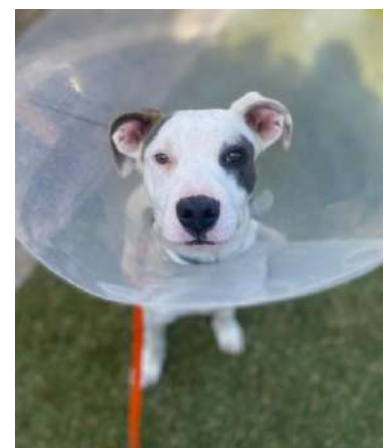
Starting Over Dog Rescue, Victoria

Starting Over Dog Rescue (SODR) joined the United “UP Community” program last year. The joining process was very simple, and our organisation was accepted very quickly. Any and all communications with United have been dealt with in an extremely helpful and friendly manner. Not only do our foster carers and friends enjoy a 2 cents discount per litre, but another 2 cents per litre goes straight to SODR.

As we are a not-for-profit organisation, where all our adoption fees and fundraising go towards helping as many dogs as we can, it was a no brainer to join the UP Community. Every two cents a litre helps us with vet bills (which can sometimes lead to thousands of dollars because we don’t say no to any dog), transport costs and their care to achieve the best quality of life possible.

We appreciate the work that United Petroleum does to help many community organisations and are proud to be associated with the UP Community. Every little bit helps.

– Lynette Higgins, Volunteer



Fuelling your community

With the Starting Over Dog Rescue (SODR) UP Community card, you'll receive a **2 cents per litre discount** at participating United service stations and a **2 cents per litre** rebate will be provided to Starting Over Dog Rescue (SODR). So this means you'll enjoy great savings on your fuel, whilst supporting Starting Over Dog Rescue (SODR) when you fill up at a participating United service station.

You now have the choice of a digital or plastic fuel discount card.



5 <https://www.dss.gov.au/families-and-children/programmes-services/welfare-conditionality/cashless-debit-card-overview>

Umina United Soccer Club, NSW

I feel there are not enough words to explain how very grateful we are for United Petroleum's support. From the very start, the welcoming community spirit plus personal contact, care and involvement offered by United have been a standout for our club.

United's support helps us provide key benefits to our community, that we otherwise, could only dream of. Their assistance truly helps develop as well as strengthen our club and for this we are very grateful.

Some of the initiatives we have undertaken with United's support include:

- ▶ Hosting regular development academies for our juniors
- ▶ Jerseys for our premier league
- ▶ Sporting equipment; and
- ▶ Even a new fridge for our canteen



United helps us to strive to be the best club we can be. Recently we were awarded the 2021 Good Sports National Runner Up of the Year, an achievement we are immensely proud of. We are also delighted that our Women's Premier League Team won our region's 2022 Preseason Association Cup.

Thank you to the team at United for your continued support.

– Gavin Robinson, Treasurer, Umina United Soccer Club



United

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Umina United Soccer Club

Fuelling your community

UP Community

Fuelling your community

With the Umina United Soccer Club UP Community card, you'll receive a **2 cents per litre discount** at participating United service stations and a **2 cents per litre** rebate will be provided to Umina United Soccer Club. So this means you'll enjoy great savings on your fuel, whilst supporting Umina United Soccer Club when you fill up at a participating United service station.

You now have the choice of a digital or plastic fuel discount card.



Store and product sustainability

The addition of Pie Face outlets to 257 of United's sites has increased the quality and quantity of products available to customers.

Recently Pie Face introduced speed ovens improving product shelf-life and almost eliminating food wastage. To comply with the Federal Government's National Food Waste Strategy, United Petroleum developed a world first process to increase product shelf-life and almost eliminate food waste at its 250 Pie Face outlets. The result is the introduction of a 'speed oven' used to perform a final 'golden bake' in 50 seconds while the customer waits.

The recent introduction of keep cups has been embraced by the communities in which we operate, preventing thousands of disposable cups from going to landfill.

While our pies have long come in recyclable paper packaging, we are consistently seeking to improve our packaging for our whole range of products. Our 2040 aim is to only source packaging from sustainable resources. That is, all our products in store will be packaged from sustainable resources.

In 2021 over 3.6 million cups of coffee were purchased at United Petroleum Sites, of these over 300,000 serves of coffee were in reusable keep-cup. Additionally in 2021, over 2000 Pie Face branded keep-cups were sold reducing the amount of disposable containers entering landfill.

WANT TO LEARN MORE?

United Sustainability Report 2022 contains certain forward looking statements.

These may involve risk and uncertainty because they relate to events and depend on circumstances that will or may occur in the future and are outside the control of United.

Actual results or outcomes may differ from those expressed in such statements. Therefore, actual results and developments may differ materially from those expressed or implied by these forward looking statements.

For more information please look up our website at www.unitedpetroleum.com.au



 **United**

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