
ENVIRONMENTAL AND SOCIAL POLICY

1.1 Purpose

The Company monitors whether it has any material exposure to economic, environment and social risks through its Risk Management Policy. The Board does not consider that the Company currently has any material exposure to environment or social risks.

The purpose of this Environmental and Social Policy is to outline how Zip Co Limited (Zip or the Company) intends to manage any of these risks should this become necessary.

1.2 Definitions

Environmental risks: the potential negative consequences (including systemic risks and the risk of consequential regulatory responses) to a listed entity if its activities adversely affect the natural environment or if its activities are adversely affected by changes in the natural environment. This includes the risks associated with the entity polluting or degrading the environment, adding to the carbon levels in the atmosphere, or threatening a region's biodiversity or cultural heritage. It also includes the risks for the entity associated with climate change, reduced air quality and water scarcity.

Material exposure: a real possibility that the risk in question could materially impact the listed entity's ability to create or preserve value for security holders over the short, medium or longer term.

Social risks: the potential negative consequences (including systemic risks and the risk of consequential regulatory responses) to a listed entity if its activities adversely affect human society or if its activities are adversely affected by changes in human society. This includes the risks associated with the entity or its suppliers engaging in modern slavery, aiding human conflict, facilitating crime or corruption, mistreating employees, customers or suppliers, or harming the local community. It also includes the risks for the entity associated with large scale mass migration, pandemics or shortages of food, water or shelter.

1.3 Role

Zip is committed to conducting its operations in a socially and environmentally responsible manner. In order to achieve this, the company will:

- Comply with all relevant environmental and heritage laws relevant to its operations;
- Regularly review, monitor and take action to mitigate environment risk;
- Minimise pollution, waste management and use water and energy as efficiently as possible;
- Support all directors and employees (including contractors and temporary employees) on a range of topics, including health, safety and wellbeing; diversity, inclusion; and ethical labour and working conditions. The Company's commitment is outlined in the Code of Conduct and other specific people- related policies;
- Ensure that any incidents, concerns and complaints are reported adequately, investigated and appropriate measures implemented;
- Communicate with employees and stakeholders about the company's environmental impacts and management and associated controls; and
- Recognise and respect the characteristics and history of the communities in which we operate and will operate in an ethical manner, with integrity and cultural sensitivity.

The Board, in consultation with the Audit & Risk Committee will:

- (a) Carefully consider the basis for any determination the Company does not

have any material exposure to environmental or social risks and benchmark its disclosures in this regard against those made by its peers.

- (b) Disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.
- (c) Should disclosure be required the Board will determine whether to publish an integrated report or sustainability report including any cross-references to relevant international frameworks or standards.
- (d) Note many listed entities will be exposed to these types of risks, even where they are not directly involved in mining or consuming fossil fuels.
- (e) Consider whether the Company has any material exposure to climate change risk by reference to the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures ("TCFD")

The Board has formally adopted this policy, reflecting a commitment by the Board for accountability across Zip Co to monitor environment and social risks.

The Board has responsibility for this policy including its regular review and the monitoring of its effectiveness.

1.4 Review of Policy

The Board will periodically review this Policy. External reviews may be undertaken of this Policy at the request of the Board.

This Policy may be amended by resolution of the Board. Date of last review: 1 July 2020