

# ENVIRONMENTAL AND SOCIAL POLICY

## For the Zip Group

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Zip Co Limited ABN 50 139 546 428 and its subsidiaries (“Zip Group”) is committed to operating our business lawfully and ethically and in an environmentally and socially responsible manner. We are committed to upholding all applicable laws and disclosing any material exposure to economic, environmental and social sustainability risks and how we intend to manage those risks (where required).

### **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 (“Policy”) is to outline how Zip Group intends to manage any of these risks should this become necessary. It also sets out Zip Group’s commitments to being an environmentally and socially responsible business.

This Policy has been approved by Zip Co’s Board of Directors and is reflected throughout its internal governance framework, including in the following operational policies and procedures:

- [Code of Conduct;](#)
- [Supplier Code of Conduct;](#)
- [Joint Modern Slavery Statement;](#)
- [Human Rights Statement;](#)
- [Continuous Disclosure Policy;](#)
- [Risk Management Policy;](#) and
- [Whistleblower Policy.](#)

### **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.

## **ZIP GROUP COMMITMENTS**

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

### **COMPLY WITH APPLICABLE LAWS**

Comply with all laws relating to environmental and social responsibility that are relevant to its operations;

### **PROACTIVELY MANAGE OUR IMPACT AND RISKS**

Manage, and seek to improve, the impact of our operations on the environment, as well as our people, customers and community.

Regularly review, monitor and take action to mitigate environmental risks with additional due diligence, where applicable, in jurisdictions where regulatory frameworks are not fully evolved.

Expect Suppliers to adhere to our Supplier Code of Conduct, which sets out our minimum standards.

Seek to minimise pollution, manage waste and use water and energy as efficiently as possible.

### **PROMOTE AWARENESS AND GOOD CONDUCT**

Support and promote awareness among all directors and employees (including contractors and temporary employees) on a range of topics, including health, safety and wellbeing; diversity, equity and inclusion; environmental sustainability; and ethical labour and working conditions, in compliance with our people and corporate governance policies.

Uphold compliance with our commitments as outlined in the Zip Group [Code of Conduct](#), [Human Rights Statement](#), [Supplier Code of Conduct](#) and other specific people-related policies.

Recognise and respect the characteristics and history of the communities in which we operate and operate in an ethical manner, with integrity and cultural sensitivity.

### **MAINTAIN EFFECTIVE REPORTING**

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

Subject to certain exceptions (in ASX Listing Rule 3.1A), Zip Group will immediately release to the market information that a reasonable person would expect to have a material effect on the price or value of Zip Group's securities.

## **RESPONSIBILITIES OF THE BOARD**

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 Group to monitor environmental and social risks.

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

### **REPORTING POLICY VIOLATIONS**

Zip Group’s [Whistleblower Policy](#) is available to parties seeking to raise policy violations and concerns and, where appropriate, seek remedy. External and public reporting will be undertaken to meet legal, regulatory and voluntary commitments relating to environmental and social risks.

### **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: 24 September 2021