

# Z Energy embrace being part of the problem to be at the heart of the solution



As an essential part of New Zealand's transport infrastructure with a nationwide footprint, Z Energy (Z) believes it has an essential role in shaping the future of the country. Z's decision to move from being part of the climate change problem, to being a driving force at the heart of the solution is encapsulated at the heart of its strategic posture – Solve what matters for a moving world by optimising the core business so that we can transition to a low carbon future – and in its new campaign called [Moving With the Times](#).

CEO Mike Bennetts leads a team that is not only focused on making Z a world-class company that Kiwis can be proud of, but one that recognises for Z to truly represent where New Zealand wants to go, it must become a leader in ushering New Zealand's transition to a lower carbon future.

**“The products we sell are responsible for around 10 percent of Aotearoa's carbon emissions and are a big part of the climate change problem.**

**“As New Zealanders, and the planet, demand a move away from fossil fuels, we have a responsibility to lean into the tough conversations we need to have to achieve a low carbon Aotearoa. As climate change continues to progress rapidly, that responsibility weighs heavy,” says Mr Bennetts.**

Z's new campaign underlines the responsibility Z has to evolve its business to be at the centre of New Zealand's development and part of the solution to its biggest challenges. Innovation is absolutely the key to transitioning the energy sector.



“The Z of 2030 and 2050 needs to look very different to today, so we are actively choosing to invest in low-carbon revenue streams, or what we are calling ventures, that are better for the planet and deliver a sustainable, viable future for our business. We know it is the right thing to do, both for our customers and for Z.

“The headline of the Moving With the Times campaign is a provocative challenge to the organisation to live up to its promises:

**Z is in the business of getting out of the petrol business.**

“At its core, Z’s Low Carbon Transition strategy is about being relevant to the daily lives of New Zealanders now and into the low emissions future, aiming to meet them wherever they are along the way with real options to solve what matters for them along their own sustainability journey.

“A key example of how we are actively choosing to invest in low-carbon revenue streams is the transition of our company car fleet to EV’s so we can better understand the pain points for our fleet customers who still need to manage vehicle costs like energy. The key question we are trying to solve for is how a company keeps track of that cost when the employee charges the company car at home. By taking an experimental and start up approach to that customer problem, Z will develop solutions for its own fleet and then scale those up.”

Mr Bennetts believes Z is uniquely positioned compared to others in the industry to become a true transport energy company.

“As Z isn’t tied to any upstream activity, such as oil exploration, we can focus on providing the right energy for the right use case and drive solutions that our customers want. This could be biofuels, electrons, or hydrogen – it doesn’t need to be petrol or diesel.”

Z's commitment to R&D on more sustainable products is clear, having invested in a first-generation biofuel plant several years ago, as well as recently taking a significant step forward in the scaling up of its EV charging offering that includes a commitment to continuing to strategically partner with Government and private sector businesses to bolster New Zealand's EV charging network.

It's aiming to have high-capacity fast chargers at 14 sites with 36 charging bays within Z's retail network by the end of the year to support more Kiwis to make the switch to EVs.



## Leading out on change

Z is certainly no stranger to the power of bold leadership and leaning into the challenge of urgent climate action – the company is on track to achieve its 2030 target of a 42% emissions reduction target off a 2020 baseline by the end of next reporting year. One of the original signatories of the Climate Leaders Coalition (CLC), Mike Bennetts also remains on the Coalition's Steering Group.

"I commented at the time of CLC's formation that I knew while many businesses were making progress with their own company's response to climate change, there was still a gap around what we could be doing together to increase the pace and scale of impact from a collective effort. And that collective effort for urgent and bold action is needed now, more than ever," says Mr Bennetts.

Z also recognises it's a collective effort that extends to coordination across business and Government too.

"In order for Government and industry to 'walk the talk' in lockstep, we need a long-term approach to energy policy that sees both parties working together. Above all, we need a national energy strategy linked to our climate change goals, to create a clear picture of what the future needs to look like, what trade-offs and opportunities there are, and to bring certainty to investors."

Central to this is the need for an equitable transition, with Z firmly focused on contributing to finding the answers for the challenges that poses.

**"Carbon abatement doesn't come for free, which is abundantly clear through the rising price of carbon. The question of who bears this cost is an important challenge that can only be solved through both public/private partnerships as well policy settings."**

"We must have an equitable transition plan that caters to all New Zealanders, including those for example whose personal circumstances may not allow for the option to drive less – due to things like shift work – or who may not have the means to transition to alternative technologies like EVs," says Mr Bennetts.

## **The road ahead**

While taking the lead in transitioning to a low carbon future is certainly not new for Z, its Low Carbon Transition Strategy does represent a new chapter of Z moving with the times in supporting its customers to transition to cleaner mobility solutions and accruing the financial benefits from getting that right.

And while they're firmly focused on that road ahead, the company doesn't shy away from the setbacks it has faced in making meaningful change, the reality of just how challenging the journey ahead is going to be, and the fact that there is no silver bullet to decarbonisation.

"I'm the first to admit that Z has fallen well short of its goals over recent years. While part of this resulted from overestimating the pace at which customers and government would respond to the need for radical change, we also made mistakes."





Moving forward, Z acknowledges that their decarbonisation strategy must align with their customers in terms of technology choices, pace of transition, cost and risk.

**“This is not a simple case of substituting one energy source for another, as there are multiple solutions which change over time.**

**“The options are complex and require interdisciplinary skills as well as emerging skill sets to develop. That means we need to see more collaboration and partnerships at a scale and pace that will meet the challenging transition task ahead,” says Mr Bennetts.**

“It also means we need to become more comfortable with constant change in order to have the capacity to adapt to evolving technologies – which is why building social resilience and planning for an equitable transition is just as important as building ecological climate resilience.”



Z believes it will be electrons, hydrogen and biofuels that will play a role in the transition out of fossil fuels in the first instance and plans to undertake innovative ways of working such as corporate venturing to reduce the risks associated with new products and services, as well as growing strategic partnerships with others in the industry, including Government on shared projects like charging infrastructure. The team are poised and excited to be releasing the next steps of Z's Low Carbon Future Strategy over the coming months.



## About Z Energy

To us here at Z, sustainability means acting in a way that benefits the future of the neighbourhoods we operate in and the planet we live on. We're a transport energy company, not an oil company – and that means we're not wedded to fossil fuels. In fact, we reckon we're in a unique position to move from being part of the problem to being at the heart of the solution. To do that, we've made a commitment to shifting the dial in the areas where it matters most. That means using less and wasting less in our own business, reducing the carbon intensity of our customers, reducing New Zealand's reliance on fossil fuels, and supporting Kiwi businesses and communities.

## About SBC

SBC is a member organisation that connects businesses, partners, and sectors to create impact that no single business could achieve alone. We work with executives and sustainability professionals to maximise their positive impact for shareholders, communities and the environment. We hold our members to account by asking them to fulfil member commitments. We deliver impact by championing our members to be at the leading-edge of sustainability and inspire other businesses to take action.