Sigma Healthcare

Sustainability Report 2023/24

Contents

Acknowledgement of Country

We respectfully acknowledge the traditional owners of the lands across Australia and pay our respects to their elders past, present and emerging. Our support office is located on Bunurong land.

About this Report

This Sustainability Report provides information on the overall sustainability management and performance of Sigma Healthcare from 1 February 2023 to 31 January 2024 (FY2024), aligning with the company's financial reporting period.

This report complements Sigma Healthcare's Annual Review, Annual Report, Corporate Governance Statement, Board Charters and Corporate Policies which are publicly available on our website. The aim of this report is to communicate transparently on the company's material environmental, social and governance (ESG) topics and provide insight on our operational impacts and efforts we have made to manage them over the reporting period.

The report scope is based on Sigma Healthcare's operational control, including the distribution processes and management systems across Australia. We have aligned to the Global Reporting Initiative (GRI) Standards in preparing this report. For guidance on alignment with the GRI Standards, a GRI index has been included in the appendix.

Any enquires or feedback about this Sustainability Report should be directed to Gary Woodford, Head of Corporate Affairs.

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Message from Our Board and Executive

Sigma has a history spanning over 112 years in supporting the people of Australia. We sign a Community Service Obligation Deed that commits Sigma to delivering medicines to all corners of Australia, supporting the health and wellbeing of communities.

It is a pleasure to present Sigma's Sustainability Report 2023/24.

Sigma has continued to execute our strategy at pace and has now completed a two-year turnaround of our business that has delivered improvement in our operational performance which has resulted in a significantly improved financial performance.

Concurrent with this, we have been making incremental and enduring improvements in our approach to sustainability across the business, which we have outlined in this report.

Sigma has a history spanning over 112 years in supporting the people of Australia. We sign a Community Service Obligation Deed that commits Sigma to delivering medicines to all corners of Australia, supporting the health and wellbeing of communities. And we find a way to do this no matter the challenges – through floods, fires, droughts, cyclones and other natural disasters. Supporting the community has been and still is a critical part of Sigma's DNA.

At our core is delivering customer service excellence Australia-wide. We have achieved delivery in full (DIF) and Despatch on Time (DOT) metrics above 99% through the year, and at the same time, we have executed a concentrated route optimisation program that has already reduced kilometres travelled by over 1.7 million on an annualised basis, with a meaningful 279t CO_2e reduction.

We are steadfastly focused on continuous improvement in this space moving forward.

We have also reduced wastage and landfill, with Sigma facilitating the donation of over $2.2 million in inventory to charities to support those in need. Our focus on waste management and recycling has also seen over 71% of our own waste diverted from landfill.

We are also committed to improving the future sustainability of our operations. Through our solar program, over 24% of our energy usage is self-generated, and we will not stop there. We have approved the doubling of the solar panel installation at our Kemps Creek NSW distribution centre, and we began a program of replacing our network of fleet cars with electric vehicles.

Our advancements are consistent with the broad political and community alignment on climate action, including the long-term aspiration to be net zero by 2050 or sooner.

We have improved the governance structure that underpins our sustainability efforts, with an Executive Leadership Team that is leading the ESG Steering Committee. A key component of this committee is to provide the direction and set the framework for our next phase of maturity in sustainability, including meeting deeper reporting requirements.

We have continued to execute focused programs to promote and encourage women in leadership. 37.5% of our executive leaders are women, and we have conducted a targeted women in leadership program through the year. 46.5% of all vacant leadership roles were filled by women during the year, and we continued to be endorsed by Work180 in recognition of being an employer committed to diversity, equity and inclusion.

We acknowledge the challenges that climate change is posing to the world and the potential risks and opportunities arising for Sigma. We have set ourselves a phased approach to implementing the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) across its pillars of governance, strategy, risk management, metrics and targets.

Cybersecurity and data privacy has continued to be a major focus area, and we have made ongoing investment into an ISO 27001 aligned information security program. Additional information on our approach is included in the Governance section of our report.

With these initiatives and developments, we look forward to advancing our sustainability efforts over the coming years.

As Sigma moves through the next phase of our long and transformational journey, we are focused on delivering meaningful change across our entire supply chain. As part of our business growth and maturity, we will begin the process of better understanding and better quantifying the impact of our various actions and initiatives to help inform how we strategically prioritise opportunities of greatest impact.

On behalf of the Sigma team, thank you for your support and interest as we strive to be better together across all aspects of our operations.

Regards,

Ms Kathryn (Kate) D Spargo
Non-Executive Director, Chair of the People and Remuneration Committee, Board Sustainability Sponsor

Gary Woodford
Head of Corporate Affairs, Executive Sustainability Sponsor

Highlights

People

37.5%
of executive roles filled by women (28% in FY2023)

18.2%
average total remuneration gender pay gap (compared to 24.9% for our industry comparison group)

97
team members nominated for our team member recognition Shine Awards

Introduced a "Respect at Work" reporting facility to enable team members to anonymously report instances of sexual harassment

Customers and Community

$2.25m
Worth of essential hygiene and personal care stock items donated ($91,000 in FY2023)

99.99%
medication management best in market accuracy rate delivered by MPS Connect (99.99% in FY2023)

Announced partnership with Love Your Sister Foundation as a Sam's 1000 Heavyweight Champion

Environment

71.2%
of waste diverted from landfill across our 10 major sites[1] (70.8% in FY2023)

23.4%
consumption of solar electricity as a proportion of total energy consumed (14.9% in FY2023)

279t CO$_2$e
reduction in emissions from route optimisation project completed in FY2024

Governance

ISO 9001
Accreditation achieved in December 2023

0
reportable data privacy and cybersecurity breaches

0
Whistleblower complaints

3
New Board members appointed

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1. Sigma has contractors providing waste reports for our largest 10 sites of the 14 sites we occupy. Sigma considers the remaining 4 sites as not material sources of waste generation provided the size and nature of their operations.

About Sigma Healthcare

Sigma has been supporting the health of Australians for more than 112 years. We work collaboratively to build long-term relationships that benefit our consumers, reward our partners, and support our communities.

We strive to serve our communities and meet the expectations of our stakeholders by:

- Fulfilling our responsibilities to ensure Australians have access to the full range of Pharmaceutical Benefits Scheme (PBS) medicines, via community pharmacies regardless of where they live, and usually within 24 hours.
- Collaborating with our suppliers and customers to continuously pursue and implement value-added, cost-effective wholesale and distribution solutions.
- Supporting pharmacists to be innovative and professional service providers in our communities to help shape the future of delivering health care in Australia.
- Providing sustainable returns for our investors and continuously creating value in the business.

Our purpose

Our purpose is to offer high quality healthcare products and services while providing long-term sustainable growth and shareholder returns.

Our values

We continue to believe that a united team, open communication and providing a safe environment promote a stronger culture. We reward and recognise our team members for demonstrating our key values and behaviours which include:

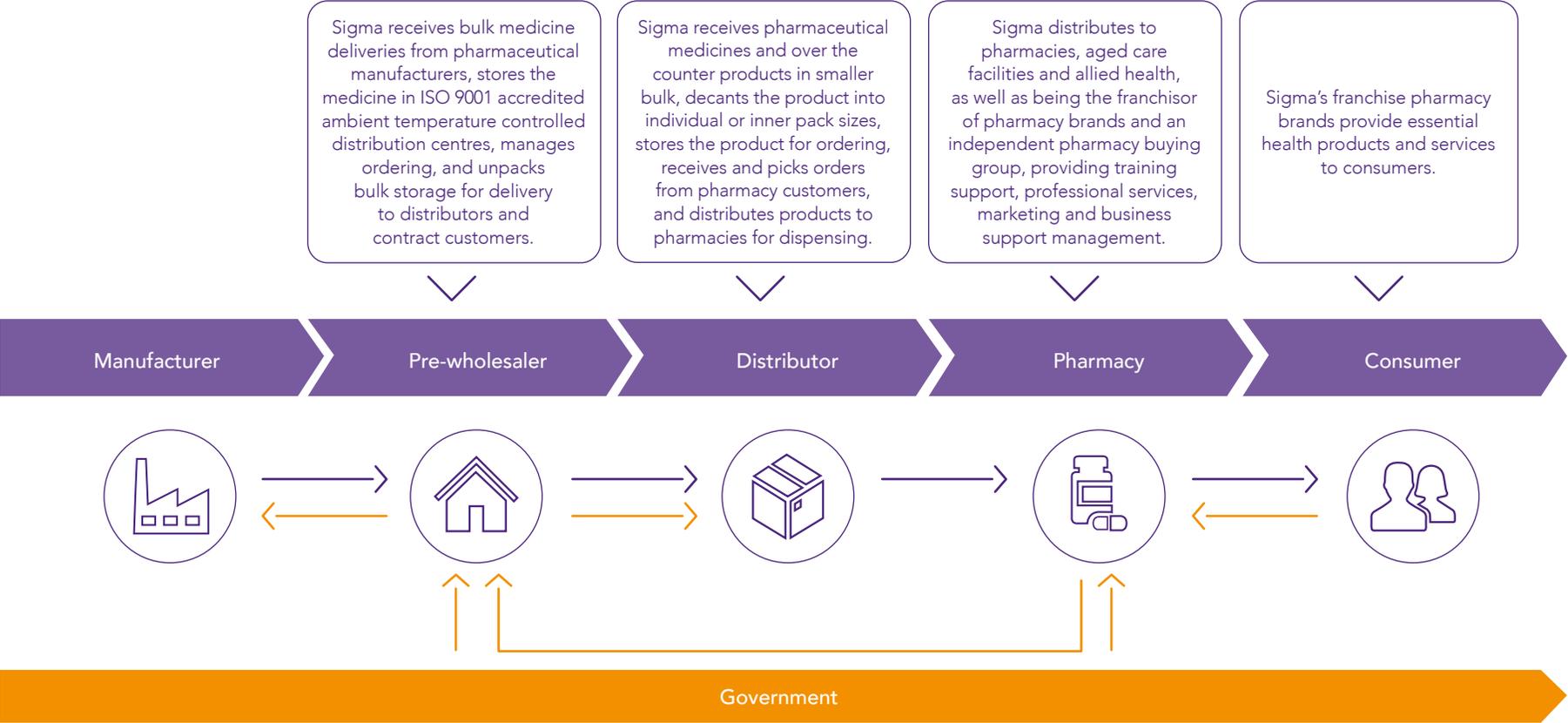- We are obsessed with delighting our customers
- We act with honesty, integrity and respect
- We are resilient and focused
- We deliver on our goals.

Our strategic business imperatives

- Optimise our core capabilities
- Develop our team for success
- Help our partners grow their businesses
- Pursue cost effective solutions together
- Jointly search for improved margins
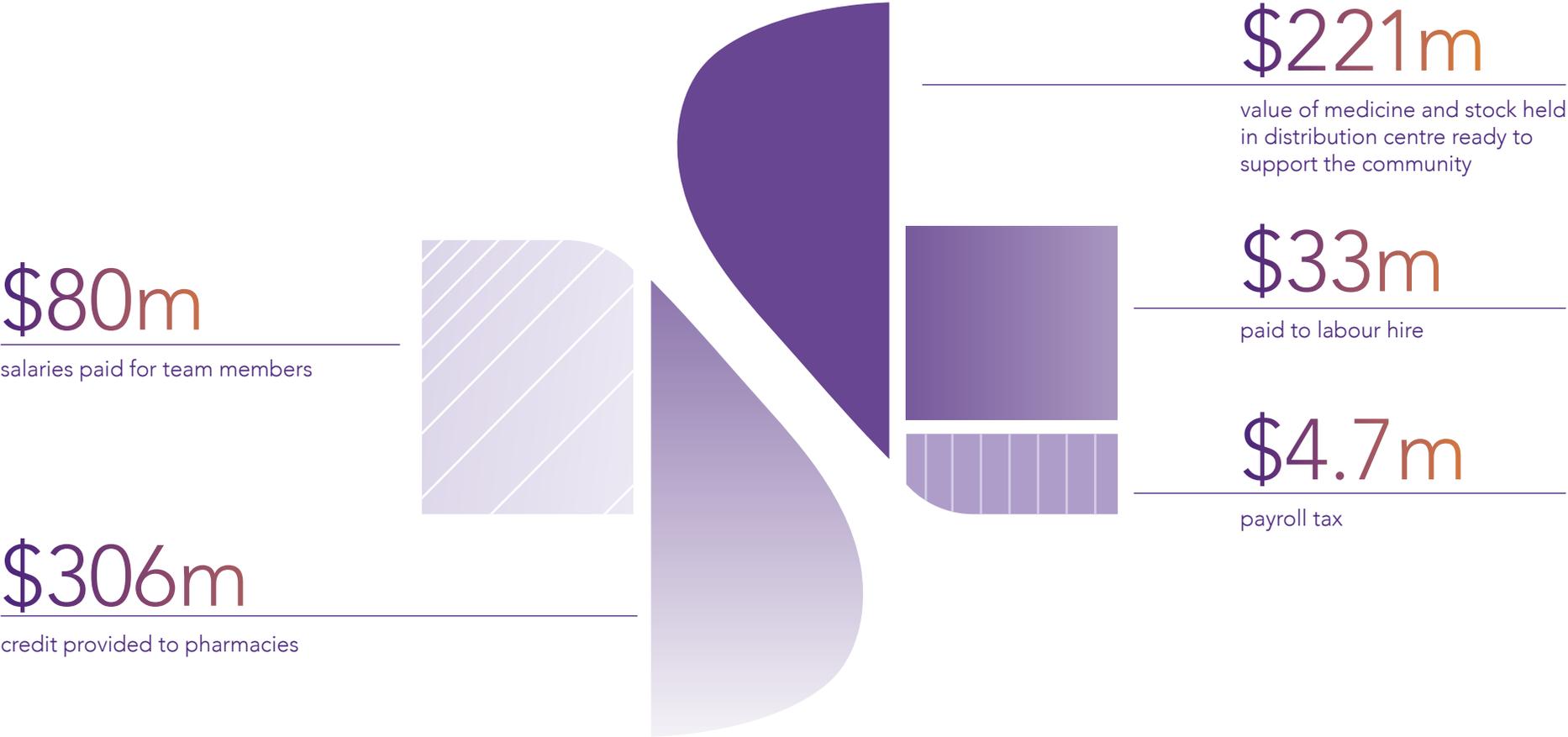- Leverage capabilities across markets

Our Value Chain

We are a leading healthcare provider with integrated operations delivering high-quality healthcare products and services to our customers across Australia. Sigma continues to build strategic partnerships to grow and create an innovative, efficient and sustainable value chain spanning from our suppliers to end consumers.

Sigma receives bulk medicine deliveries from pharmaceutical manufacturers, stores the medicine in ISO 9001 accredited ambient temperature controlled distribution centres, manages ordering, and unpacks bulk storage for delivery to distributors and contract customers.

Sigma receives pharmaceutical medicines and over the counter products in smaller bulk, decants the product into individual or inner pack sizes, stores the product for ordering, receives and picks orders from pharmacy customers, and distributes products to pharmacies for dispensing.

Sigma distributes to pharmacies, aged care facilities and allied health, as well as being the franchisor of pharmacy brands and an independent pharmacy buying group, providing training support, professional services, marketing and business support management.

Sigma's franchise pharmacy brands provide essential health products and services to consumers.

| Manufacturer | Pre-wholesaler | Distributor | Pharmacy | Consumer |

Government

Economic and Social Value

Sigma continues to support community pharmacies across Australia, from small independent pharmacies to larger pharmacy franchise or buying groups. This support also includes around 400 franchise pharmacies operating the Amcal, Guardian[2], PharmaSave, and Discount Drug Stores brands across Australia.

$221m
value of medicine and stock held in distribution centre ready to support the community

$33m
paid to labour hire

$4.7m
payroll tax

$80m
salaries paid for team members

$306m
credit provided to pharmacies

2. The Guardian brand was closed on 1st February 2024.

Our Approach to Sustainability

Stakeholder engagement

We believe that a stakeholder-centric approach is at the heart of enabling a socially relevant and future-oriented approach to business.

We have consistently focused on building strong and meaningful relationships with a diverse range of stakeholders. We engage through customised channels to meet the distinct needs of each stakeholder group, with an aim to foster inclusivity, accountability and responsibility. We strive to build collaborative relationships with our stakeholders and work together to deliver positive sustainability outcomes.

The table below captures our key stakeholder groups and the engagement channels we adopt to understand their issues, needs and expectations, which feeds into our materiality assessment process and helps us responsibly manage our business and its impact.

Stakeholder	Engagement channels	Topics engaged on
Team members	• Mid-year and annual team member performance reviews • Health and wellbeing program • Internal Hub, including regular Town Hall videos to keep team members informed • Face to face briefings • Team meetings • Online induction • Training programs	• Cybersecurity and data security • Business ethics • Health and safety for customer and staff • Modern slavery and supply chain management • Product quality and safety • Energy management • Team member engagement and diversity • Waste and hazardous materials

Stakeholder	Engagement channels	Topics engaged on
Customers	• Newsletters • Electronic Direct Mail (EDM) • Training programs • Surveys	• Cybersecurity and data security • Access and affordability to healthcare • Customer experience • Product quality and safety
Community	• Website • Partnerships • Donations	• Health and safety for customers and staff • Access and affordability to healthcare • Customer experience • Product quality and safety
Suppliers	• Direct engagement • Tenders • Code of Conduct	• Business ethics • Board governance • Cybersecurity and data security • Modern slavery and supply chain management • Product quality and safety • Carbon emissions

Stakeholder	Engagement channels	Topics engaged on
Shareholders	Annual General Meeting (AGM) Annual and half yearly results presentation Investor roadshows Conferences One-on-one and group meetings Market updates Website Social media	• Board governance • Business ethics • Privacy • Cybersecurity and data • Financial sustainability • Team member engagement and diversity • Health and safety for customers and staff • Modern slavery and supply chain management • Carbon emissions • Waste and hazardous materials • Physical impacts of climate change
Regulators and industry	• Industry meetings • Audits • Events • Conferences • Policy engagement	• Board governance • Business ethics • Cybersecurity and data security • Team member engagement and diversity • Health and safety for customers and staff • Access and affordability to healthcare • Modern slavery and supply chain management • Product quality and safety • Waste and hazardous materials

Regulator and Industry Associations

Engagement

Due to the nature of our operations and connection with the healthcare sector, we engage and comply with a range of regulatory bodies, which include:

- Australian Health Practitioner Regulation Agency (APHRA)
- National Pharmaceutical Services Association (NPSA): regular industry meetings throughout the year
- Community Service Obligations (CSO): monthly reporting and regular CSO audit assessments of compliance with our obligations as a CSO wholesaler
- Department of Health in each state: ad-hoc audits
- Australian Code of Good Wholesaling Practice (cGWP): compliance as a pharmaceutical wholesaler for medicines in Schedules 2, 3, 4 and 8
- Therapeutic Goods Administration (TGA): compliance with the requirements in relation to private label products
- Attorney-General's Department: Compliance requirements under the Commonwealth Modern Slavery Act
- The Australian Packaging Covenant Organisation (APCO) which leads the development of a circular economy for packaging in Australia.

Our Approach to Sustainability _{continued}

Sustainability Framework

Our Sustainability Framework drives our efforts in areas which focus on value creation and risk mitigation. We encourage healthy communities while reducing our environmental impact through good governance and transparency.

Reduce our environmental impact

Encourage healthy communities

Good governance and transparency

As a result of our initial materiality assessment in 2020/21, our Sustainability Framework considers the ESG topics that were defined as material for our business and focuses on those identified as a priority.

We continue to review our material topics annually and analyse feedback from stakeholder engagement, for example through dedicated one-on-one meetings with our investors and investment organisations.

The outcome of our engagements this year supported our current ESG material topics.

Material topics

The following are the material environmental, social and governance (ESG) issues identified through our stakeholder engagement and materiality assessment.

Sustainability Pillar	Sustainability framework area of focus	Material topics	Relevant sections in this report
Environmental	**Reduce our environmental impact**	> Carbon emissions > Energy management > Life cycle management > Physical impacts of climate change > Waste and hazardous materials	> Waste management > Australian Packaging Covenant > Waste performance > Energy and emissions management > Route optimisation and electric vehicles > Energy and emissions performance > Climate change
Social	**Encourage healthy communities**	> Access and affordability to healthcare > Customer experience > Team member engagement and diversity > Health and safety for customers and staff > Modern slavery and supply chain management > Product quality and safety	> Diversity > Diversity objectives and reporting > Team member health, safety and wellbeing > Health and safety > Our safety performance > Health and wellbeing > Team member development, recognition and retention > Team member engagement > Supply chain and modern slavery > Supporting community
Governance	**Good governance and transparency**	> Board governance > Business ethics > Cybersecurity and data security > Financial sustainability	> Board renewal > Sustainability governance > Business ethics > Data privacy > Cybersecurity > Anti-bribery and corruption > Whistleblower policy > Risk management > Key risks and opportunities

Plan to 2030

In 2020/21 we set a 'Plan to 2030' with key goals under each of our sustainability focus areas. Our key goals are outlined below. Our approach and communication of our ESG activities will continue to evolve to respond more effectively to the expectations of our stakeholders and the increasing demands of ESG management and reporting.

Goals

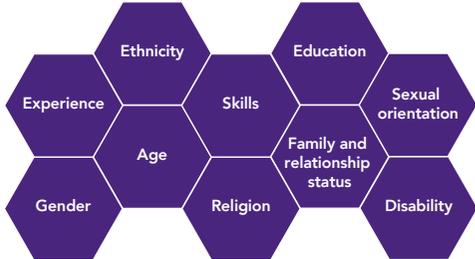| Environment – Reduce our impact on the environment	Social – Invest in the health and wellbeing of our team and the communities we serve	Governance – Operate our business in an ethical way and transparently report on our operations and decision-making processes
Increase the environmental efficiency of our distribution centres.	Launch a diversity and inclusion strategy that ensures our workforce reflects the communities we serve and provides an inclusive environment for our people.	Ensure we are a responsible steward of stakeholder data and privacy.
Reduce our operational waste and meet the requirements of the Australian Packaging Covenant.	Develop a strategy to support the inclusion of First Nations Australians across our value chain.	Report transparently to the market on financial and non-financial performance.
Investigate opportunities to divert solid waste generated at facilities (warehouses, offices and retail stores).	Launch community programs that are meaningful to our customers.	Engage with the industry and government to deliver fair remuneration to help ensure a sustainable industry.
Respond to the Taskforce on Climate-related Financial Disclosures and quantify our exposure to climate change.	Invest in the health and wellbeing of our people.	Ensure the Board has the right mix of skills, experience and diverse perspectives.
	Support equitable access to available medicines for all Australian communities.	Improve decision making framework with strong governance to ensure decisions are made efficiently and effectively by the right people.
	Operate a responsible and ethical supply chain that mitigates the risk of modern slavery.	

People

At Sigma, we are committed to creating a safe, values-based culture and an inclusive and diverse workforce where our people's careers can thrive.

Diversity

At Sigma, we respect and value the benefits of a diverse and inclusive workforce that reflects the communities where we operate and embraces diversity of thought. We recognise the importance of ensuring a diverse workforce for talent attraction and retention and in driving sustainable performance.

We embrace diversity and inclusion

Ethnicity · Education · Experience · Skills · Sexual orientation · Age · Family and relationship status · Gender · Religion · Disability

Better decision making · Improved hiring results · Different perspectives and ideas · Increased retention · Bring whole self to work · Faster problem solving · Sense of belonging · Increased innovation · Reduced turnover · Increased productivity and profit

We value the benefits for our people and our business

To support our diversity and inclusion goals, we have a Diversity and Inclusion Policy that underpins our approach and provides measurable targets to improve our performance across the business. To ensure that all team members feel respected and valued, we have also developed a Good Working Relationships Policy that outlines our approach to creating a workplace free from discrimination and harassment.

Diversity objectives and reporting

Our Diversity and Inclusion Policy has set the following targets to help drive process against our diversity goals:

- Aim to achieve gender balance on the Board within the guiding principle of 40/40/20;

- Aim to achieve gender balance across executive and senior management positions;

- Target equal gender participation in key talent management programs; and

- Monitor and address issues of gender pay equity.

People continued

These targets and their performance are monitored by the Nomination and Remuneration Committee. The table below provides the results for these metrics in FY2024:

Metric	Proportion in FY2024	Proportion in FY2023
Proportion of women employees within the Group	64%	65%
Proportion of women in senior management positions	40%	27%
Proportion of women in executive roles	38%	28%
Proportion of women on the board	33%	40%

In FY2024, the proportion of women in senior executive roles increased from 28% to 37.5% with the appointment of a female Chief Commercial Officer.

Our recent Board renewal has resulted in female representation on the Board sitting at 33.3%. We have set a long-term gender diversity target of 40:40:20.

In FY2024, we created the Team Member Diversity Reference Group to provide our leadership team with recommendations to improve diversity and inclusion performance across the business. The following focus area recommendations were made by the Group during the period and will be actioned in the coming year:

- Increase the focus on inclusivity during the recruitment and onboarding process; and
- Provide more education and awareness internally on the importance of diversity and an inclusive workplace.

Our commitment to diversity extends to all areas of our business. It is a priority for the Board to ensure that gender-pay-equity exists at Sigma.

As part of the annual Workplace Gender Equality Agency (WGEA) report for 2022-2023, the average total remuneration gender pay gap was 18.2%, compared to 24.9% for the industry comparison group. The composition of our workforce is contributing to this gender pay gap, as more managerial roles are held by men.

Targeted strategies have been put in place to strengthen our female talent pipeline through learning and development initiatives including our 'Women in Leadership Program.' For the 12 months to January 2024, 46.5% of all vacant leadership roles were filled by women. A copy of our latest WGEA Report is available on our website.

To ensure that we strengthen our female talent pipeline, we continued the 'Women in Leadership' program in FY2024. This program assists female team members to equip them for senior roles. We will continue to explore further learning and development opportunities, along with flexible work arrangements, to encourage women to pursue leadership roles.

Sigma Healthcare instruments to support our team members' health, safety, and wellbeing

Health and Safety Management System - Health and Safety Policy - Health and Safety Committee - Health and Safety Operations - Health and Safety Compliance and Performance Evaluation	Employee Assistance Program
Family and Domestic Violence Policy The launch of our Respect Line to enable team members to report harassment, including sexual harassment anonymously.	A Wellbeing Program that focuses on a holistic approach to health and wellness both at work and at home including progress towards the launch of Fitness Passport that will enable our team members to access discounted gym memberships
Parental Leave Policy Flexible Working Arrangements Policy	Mental Health Workplaces Program, including: - RUOK Day - Quit smoking support - Drug and alcohol awareness - Free influenza vaccinations - Mental Health Training for managers

Team members health, safety and wellbeing

The health, safety and wellbeing of our team members remains a priority for Sigma. COVID-19 has highlighted that mental health and wellbeing are equally important to the physical health of our people.

Health and safety

At Sigma, we are committed to ensuring a safe and healthy workplace for our people.

The Board is ultimately responsible for ensuring that any risk of adverse health and safety event is mitigated across the business. To assist the Board in providing oversight,

they receive monthly reporting on health and safety KPIs that cover safety programs, training and campaigns, incidents and corrective action plans, mental health, and wellbeing outcomes.

Sigma has established a Health and Safety Management System which is subject to an annual internal audit to verify process compliance and enable continuous improvement of our safety performance. The Health and Safety Management System covers all team members and contractors. Our Health and Safety Policy also sets out Sigma's commitment and approach to providing safe and healthy workplaces.

Our safety performance

Metric	FY2024	FY2023
Health and safety compliance audit result (average across all sites)	92.11%	91%
Lost time injuries (LTI)	4	3
Lost time Injury Frequency Rate (LTIFR)[3]	2.18	1.83
Movement in LTI year on year	33.3%	-25%
Movement in LTIFR year on year	19%	-31%

We actively encourage feedback from our people to improve Sigma's health and safety performance. Team members can provide feedback through the following channels:

- The Work Health and Safety Committee;
- Health and Safety Representatives with whom team members can raise health and safety concerns; and
- Wellbeing Champions who promote wellbeing activities at a site level.

In FY2024, Sigma received no infringement notices and remained compliant with all applicable health and safety regulations.

Sigma recorded four LTI for the year, compared to three in the previous year, representing an increase of 33.3% year on year. Our LTIFR for the year was 2.18, an increase of 19% year on year. Half of our LTIs this year resulted in three or less days off work.

As part of Sigma's approach to improving our safety performance, we analyse each LTI and use these events as opportunities to understand how future injuries can be prevented. In FY2024, different contributing factors led to the LTIs and no systemic safety-related problems were identified.

In December 2022, the Australian Government passed the Anti-Discrimination and Human Rights Legislation Amendment (Respect at Work) Act 2022. This legislation creates a duty for employers to prevent sexual harassment, discrimination, and victimisation. While training remains an important activity, a positive duty requires Sigma to undertake more activities.

To ensure that we foster a workplace that is free from sexual harassment, several initiatives have been completed during FY2024. To further understand the nature of harassment across the business, we undertook Sexual Harassment complaint tracking. This exercise revealed that there was room for improvement, specifically the provision of accessible reporting options for team members who work outside of standard business hours.

As a result, a "Respect at Work" reporting facility (phone or online form accessed via a QR code) was introduced in FY2024 to enable team members to anonymously report instances of sexual harassment. This reporting facility is available 24/7 to cater for team members who work outside of standard business hours.

As part of our review, we have updated our training programs for team members on sexual harassment. A new "Respect at Sigma" training program has been developed for team members, along with a new manager module and sexual harassment dashboard. This dashboard will be shared with the Executive Leadership team each year, and an annual report is provided to the Nomination and Remuneration Committee.

In FY2024, there were seven allegations of sexual harassment made by our people. All substantiated cases were followed up with disciplinary action that included training or termination of employment.

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3. LTIFR = The number of lost time injuries (one or more lost shifts/days following the incident) over a rolling 24-month period relative to the total number of hours worked in that period.

People continued

Health and wellbeing

At Sigma, we understand that team member wellbeing can be influenced by many factors. These include 'political', 'economic', or 'transitional events' that can impact mental and physical health. We recognise that poor team member wellbeing can lead to a loss of productivity and increased absenteeism.

We actively foster an open and supportive culture and have established several programs to improve the wellbeing of our people. In FY2024, we continued to provide an Employee Assistance Program (EAP), which gives team members and eligible family members access to independent, professional, and confidential coaching to support their mental health and wellbeing. Our "Mentally Healthy Workplaces" program also includes events and training to improve the health and wellbeing of our people. This program includes participation in RUOK Day, mental health training for managers, drug and alcohol awareness, support for quitting smoking, and free influenza vaccinations.

Our Parental Leave Policy provides six weeks of paid leave for primary caregivers at the team member's ordinary pay rate, and one week's paid leave for secondary carers. These entitlements apply to the birth (including stillbirth) and the adoption of a child by eligible team members. To be eligible, team members must have been employed by Sigma for at least 12 months. Our Policy includes the payment of superannuation contributions for 20 weeks (based on the national minimum wage) whilst team members are in receipt of the Commonwealth Government's Paid Parental Leave Scheme.

In FY2024, we updated our Flexible Work Arrangements Policy to allow team members to take annual leave and long service leave at half pay, while also improving the flexibility of existing job-sharing arrangements.

People development, recognition and retention

We proactively foster an inclusive and collaborative work culture that celebrates the achievements of our people and recognises their contribution to our business. We have provided several development opportunities in FY2024, including:

- Continuing the successful Leadership Labs Program designed to develop effective leaders and cover such skills as giving feedback, effective conversations, and managing performance.

- Role-specific training across all departments according to key business needs.

- Continuing the 'Women in Leadership Program' to strengthen our female talent pipeline and assist participants in embedding new behaviours to equip them for more senior roles.

- Building our current and future talent pipeline with the delivery of our Emerging Leaders Development Program.

- The delivery of over 700 capability assessments across our distribution centres to support the ongoing learning of our team members.

- Supporting the delivery of Certificate III in Supply Chain Operations.

To encourage the professional development of our people in FY2024, we provided online training on the following topics – compliance, health and safety, cyber security, and data protection. In FY2024, 3,511 employee hours of training was delivered across the business.

In FY2024, we are pleased to report that 26.5% of all vacant positions were filled internally by existing Sigma team members.

We believe that team member recognition and positive feedback are an integral way for us to engage with our people and to reinforce Sigma's values. Our Shine Awards are an annual recognition program which allows team members to nominate peers who they believe have demonstrated the values of our Company. In FY2024, we received 97 Shine Award nominations for our team members.

We have also developed a Service Recognition Policy to recognise and reward team members for their tenure and commitment to Sigma. In FY2024, 86 members received Service Recognition Awards.

Customers and Community

At Sigma, we recognise the important role we play in providing essential products and services to Australian communities.

We view our commitment to community in multiple ways and consider the impact of our business activities on customers and pharmacies, through to our suppliers and the community groups we interact with. Our commitment is shown in:

- Our dedicated efforts to provide a full range of prescription medicines, over-the-counter medicines, and consumer products to customers in a timely manner.
- Our network of community pharmacies, both our own franchisees and those we partner with, that ensures access to essential healthcare products for everyone.
- Our investment in safe workplaces and retail environments, supported by occupational health and safety policies, procedures, training, and oversight.
- Our diversity and inclusion strategy that ensures our workforce reflects the communities we serve.
- The steps we take to protect human rights in our supply chain and eradicate the risk of modern slavery.
- The contributions we make to local communities and community groups, both by Sigma and subsidiary pharmacy brands, which support causes that are important to communities.

Access and affordability

The Sigma network includes community-based pharmacies, along with agreements to supply aged care centres. This vast network reflects our ongoing commitment to providing all Australians with access to essential healthcare products at an affordable price.

Many of the products that we distribute are subsidised by the Pharmaceutical Benefits Scheme (PBS) and we have no influence over those prices. For over the counter (OTC) medicines, our strategy of providing affordable options to health care consumers is driven by our strategic engagement and negotiation with suppliers when entering into supply agreements. Our strategy is also supported by a range of private labelled medicine. We plan to grow our private label offering in FY2024.

Customers and Community continued

We place great importance on ensuring that order fulfillment from distribution centres happens in a timely way that meets Community Service Obligations (CSO) of the Pharmaceutical Benefits Scheme. Our network of nine distribution centres are strategically located in all Australian states, along with the Northern Territory. In the event of a natural disaster preventing road delivery, we have maintained a relationship with the Australian Defence Force and State Emergency Service to provide logistical support for the delivery of PBS medicines. In FY2024, we maintained a Disaster Recovery System (DRS) to prevent supply interruptions caused by a breakdown in our IT systems.

During the period, we faced several supply and demand challenges. Covid-19 induced production limits continued to restrict the supply of some medicines, with access to pain relief (e.g., Nurofen, Panadol) and diabetes medication (e.g., Ozempic, Mounjaro) being impacted. The CSO administered by the PBS implemented ordering restrictions to help ensure equitable access to those medicines in FY2024.

In October, our Disaster Recovery System (DRS) was activated following a breakdown in our externally provided IT infrastructure. We were also impacted by Cyclone Jasper (a category 2 cyclone) in December that threatened our ability to fulfill orders in Queensland. Despite these challenges, Sigma has maintained a Delivery in Full on Time (DIFOT) score above 99% in FY2024.

In FY2025, our focus will be on growing our franchise brands, along with implementing initiatives to expand our health and supplementary medicine offering.

Customer experience

Several initiatives have been established to ensure that we remain focused on improving the experience of our franchisees. In FY2024 – Combined Amcal and Guardian, and Discount Drug Stores – had a dedicated Member Council. These Councils represent the collective interests of franchisees and provide feedback on supporting franchisees better. Each brand has dedicated Business Development Managers to assist franchisees on delivering health services, and a customer and retail experience that reflects the brand's ethos.

In FY2024, we held a Discount Drug Stores (DDS) conference to allow DDS franchisees to collaborate on ways that Sigma can improve their franchisee experience. We also held a combined Amcal and DDS Pharmacist Summit where all franchisees were able to learn from industry leaders and experts on local and global industry trends, expanded clinical knowledge and practice improvement, optimising dispensary efficiencies and profitability and team development, support, and obligations.

We acknowledge that for many franchisees, a shortage of pharmacists across the industry has made attending these events difficult. In response, we will be launching an internship program in FY2025 to help alleviate this industry shortage.

To ensure that franchisees are equipped to provide excellent customer service to consumers, we delivered the Pharmacist Assistant Summit Series program in FY2024.

In FY2025, we intend to hold an Amcal conference, a DDS conference, and a Combined Summit. We will also launch a 12-week Leadership Excellence Program to improve the understanding that franchisees have on their business and to identify new ways of improving the consumer experience.

Supply chain and modern slavery

Sigma manages a complex supply chain that enables us to supply around 15,000 PBS medicines, over the counter and consumer products to community pharmacies and aged care and allied health facilities across Australia.

Our supply chain is inevitably large and complex. We collaborate closely with our partners, suppliers and our own team members to operate it in an ethical way. We carefully manage our practices and those of our suppliers, to safeguard human rights and mitigate the likelihood of modern slavery. We believe that the risk of modern slavery in our operations and supply chain is relatively low, due to the highly regulated nature of the pharmaceutical industry, the skilled workforce and sophisticated work environment being an inherent requirement within the sector. Nevertheless, Sigma has processes in place to assess our modern slavery risks, including an effective governance framework with board oversight.

Our Ethical Sourcing and Modern Slavery Policy is available on Sigma's website and outlines our approach to managing risks throughout our operations, underpinned by the following nine values:

- Safe working conditions, reasonable working hours and fair remuneration for all team members.
- Freely chosen employment, with no forced or bonded labour.
- Zero occurrences of child labour and required compliance with the minimum legal working age (or absent such law, in compliance with the ILO Convention 138).
- Team members are entitled to work free from discrimination, harassment, or any other inappropriate workplace behaviour.
- Equal employment opportunities based on ability, performance and potential.
- Freedom of association and the provision of grievance mechanisms for team members to access.

- Complete prohibition of bribes, favours, benefits or other similar unlawful or improper payments in cash or kind in exchange for business or otherwise.

- Assurance from suppliers (or our own due diligence on new or renewing suppliers) to determine their risk and the procedures adopted in relation to ethical sourcing and modern slavery.

- Monitoring and assessment of compliance with the terms of this policy and to the extent possible, seeking to remedy any breach of this policy.

In FY2024, we submitted a Modern Slavery Statement in accordance with the Modern Slavery Act 2018. A copy of this Modern Slavery Statement 2023 is available on our website.

A survey was also sent to Sigma's suppliers via the Ethixbase360 platform to gather information from suppliers to understand and assess Sigma's modern slavery risk.

Supporting community

In FY2024 we primarily supported the community through continued participation in the Returned Unwanted Medicines project and the donation of $2,246,000 worth of essential hygiene and personal care stock items to charities and flood impacted communities across Australia.

We also announced a partnership with Love Your Sister Foundation, a charity supporting precision medication for all cancer patients. Sigma is committed to supporting community not-for-profit organisations aligned with our values and is a proud Sam's 1000 Heavyweight Champion.

Environment

At Sigma, we are committed to reducing the impact of our business activities on the environment.

Our environment

To support this commitment, we have an Environmental Management and Sustainability Policy that outlines our collaborative, innovative and cost-effective approach towards the management of our most material environmental topics, including waste, energy, emissions, and climate change.

Our commitment to the environment includes:

- avoiding or minimising our environmental footprint;
- understanding the risks and opportunities arising from pressing environmental issues (i.e., climate change);
- meeting internal and external obligations; and
- effectively managing our key issues.

Waste management

Sigma distributes pharmaceutical medicines and over the counter products to pharmacies, aged care facilities and allied health facilities across Australia. Our distribution centres handle products from diverse supply chains, and this can lead to a significant volume of waste being generated.

We are committed to establishing sustainable waste handling practices across our business that diverts waste from landfill, whenever it is feasible to do so. We also collaborate with suppliers and contractors to explore new opportunities that will reduce and divert waste from landfill.

During the period, we replaced our ageing cardboard compacting equipment at the Truganina distribution centre. This initiative will increase the density of recycled waste bales and allow us to transport more used cardboard in each delivery to a recycling facility. In FY2025, we intend to similarly renew compacting equipment at the Kemps Creek and Berrinba distribution centres.

In renewing our waste management contract for FY2025, Sigma has requested the successful vendor to provide at least two projects that will reduce our waste going to landfill.

Environment continued

Australian Packaging Covenant

As part of Sigma's commitment to managing waste responsibly, we have been a signatory to the Australian Packaging Covenant Organisation (APCO) since 2014.

The APCO is a national regulatory framework that aims to reduce the environmental impacts of consumer packaging, by supporting two goals:

- Optimising recovery of consumer packaging through the supply chain; and
- Preventing adverse impacts of consumer packaging on the environment.

The APCO Packaging Sustainability Framework provides a consistent and transparent framework for assessing and tracking the sustainability of packaging. As part of Sigma's commitment, we continued to produce an APCO Annual Report in FY2024 reporting on our progress.

In FY2024, we were commended for the volume of waste that was diverted from landfill. However, two areas for improvement were identified by the APCO, including development of a recycled packaging policy, and phasing out single use plastic packaging.

Waste performance

The table below provides an overview of our waste footprint for the FY2024[4].

Waste generation	FY2024		FY2023		Methodology
	Tonnes	Contribution	Tonnes	Contribution	
Waste diverted from landfill	2,362	71%	2,341	71%	Data is based on waste reports provided by waste contractors servicing each site.[5]
Waste to landfill	955	29%	965	29%	
Total waste generated	3,317		3,306		

Note: Included in the waste to landfill result is 122 tonnes of waste that was redirected to a Bio reactor and used to generate energy.

During the year, we generated 3,317 tonnes of waste within our ten major properties. This waste was managed by a third-party waste services contractor. Over the reporting period, we achieved around 71% of waste diversion from landfill.

In FY2025, we will explore new waste recycling and recovery initiatives as part of our ongoing commitment to improving Sigma's waste diversion rate.

Energy and emissions management

Due to storage requirements for many of the products that we distribute, it is imperative that Sigma maintains a reliable source of energy to ensure the continuity of climate-controlled conditions at our distribution centres. Notwithstanding this, we place a high priority on ensuring that all assets are operated in an energy efficient manner, where possible.

In FY2024, we have continued to adopt renewable sources of energy across the business, and we are pleased to report that in FY2024 our consumption of solar electricity as a proportion of total energy consumed has increased from 14.9% to 23.4%.

Route optimisation and electric vehicles

Our commitment to medicine access and affordability obliges us to fulfil each order in a timely way, regardless of the order size and destination. This presents an ongoing challenge as smaller orders delivered to distant locations will invariably incur greater GHG emissions. Despite this, we have explored ways to improve the energy efficiency of our business. In FY2024, we completed a route optimisation project to investigate alternative distribution routes

across our network that will reduce the total distance travelled by our fleet. We are pleased to report that this project led to a reduction in distance travelled across our network of 1.7m vehicle kilometres, leading to a decrease of approximately 279 tonnes in CO_2e.

During the year, we commenced preliminary work to introduce the first electric vehicles (EVs) to the fleet in early FY24/25. Although we are planning to grow the number of EVs in FY2025 and beyond, we are aware that challenges may arise. Several of our franchisee pharmacies are in remote areas that currently lack adequate EV charging infrastructure. This will be considered in our future decision making as we continue to rollout EVs across the fleet where appropriate.

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4. Considering the reporting cycle of environmental related data from third parties, Sigma reports its environmental performance for each financial year (1 February to 31 January) based on calendar year data (January – December).

5. Sigma has contractors providing waste reports for our largest 10 sites of the 14 sites we occupy. Sigma considers the remaining 4 sites as not material sources of waste generation provided the size and nature of their operations.

Energy and emissions performance

The table below provides an overview of our energy and emissions footprint for the FY2024[6].

Energy consumption	FY2024	FY2023	Notes and comments
Fuel consumption	**kWh**	**kWh**	
Diesel	25,240	10,790	During FY2024, three planned power outages occurred at the Bridgewater distribution centre, each lasting longer than eight hours. Diesel power generation was required during these outages, contributing to increased diesel consumption in FY2024.
			Data is based on actual diesel purchased for sites requiring diesel refill during the year and using the energy conversion factor from NGER.[7]
Electricity consumption	**kWh**	**kWh**	
Non-renewable (grid electricity)	9,251,457	11,451,916	Data is based on the actual electricity consumption as recorded in web-based utility platforms or invoices for electricity consumption for the sites occupied by Sigma in the reporting period[8].
Renewable	2,831,000	2,011,480	Warmer weather has contributed to increased solar power generation and consumption in FY2024.
			Data is based on performance reports from solar generation monitoring third-party. All solar electricity generated on-site is consumed by Sigma sites[9].
Total electricity consumption	12,082,457	13,463,396	
Total energy consumption	12,107,697	13,474,186	Down by 10% from FY2023
Emissions	**FY2024**	**FY2023**	**Notes and comments**
Scope 1 emissions	tCO_2e	tCO_2e	
Diesel	7.56	2.92	Calculated based on the amount of diesel purchased and applying the energy conversion factor and emission conversion factors from NGER.
Refrigerants	0.01	0.002	
Total Scope 1 emissions	7.57	3.37	
Scope 2 emissions	tCO_2e	tCO_2e	
Electricity	6,593	8,610	Data is based on the actual electricity consumption emissions as recorded in web-based utility platforms or invoices for electricity consumption for the sites occupied by Sigma in the reporting period and applying state-specific grid electricity emission factors from NGER*
Total Scope 2 emissions	6,593	8,610	
Total Scope 1 & 2 emissions	6,601	8,613	Down by 23% from FY2023.

6. Considering the reporting cycle of environmental related data from third parties, Sigma reports its environmental performance based on calendar year (January – December) instead of financial reporting year (February – January) to provide actual data based on third-party reports or invoices as opposed to estimated data.

7. National Greenhouse and Energy Reporting Measurement Determination 2008.

8. Sigma occupied 14 sites in the reporting period. Sigma was unable to collect electricity consumption amounts for an office site which is in a commercial site shared with other tenants. However, the electricity consumption for this office is considered immaterial.

9. Sigma occupied 14 sites in the reporting period. Sigma was unable to collect electricity consumption amounts for an office site which is in a commercial site shared with other tenants. However, the electricity consumption for this office is considered immaterial.

Environment continued

Climate change

We consider climate change to be an increasingly important topic for Sigma and remain committed to reducing GHG emissions that are contributing to global warming. We are aware that global warming can lead to an increase in the frequency and intensity of climate-related events that may impact Sigma's ability to deliver on its business strategy.

Although we adopted several initiatives to mitigate or reduce our emissions in FY2024, we recognise the complexity of decarbonising our business and the need to comprehensively understand the risks and opportunities arising from this issue. We continue to remain focused on better understanding our emissions profile and proactively seeking new ways to lower our footprint in line with the Taskforce on Climate-related Financial Disclosures (TCFD) and IFRS S2 standards.

In FY2025, we will refocus our commitment to aligning with these recommendations by analysing the requirements for Sigma to become carbon neutral (scope 1 and 2 emissions) with associated targets, and timeframes. We are aware that mandatory climate reporting will soon be legislated in Australia and fall in the first cohort of companies that will need to meet these mandatory requirements. In FY2025, we will take steps to prepare for this by establishing a baseline of our GHG emissions, analysis of climate-related physical and transitional risks and opportunities, and scenario planning.

Governance

Sigma is committed to creating a positive impact and embedding ethical behaviour in our business activities and value chain.

To effectively manage operational, financial and ESG risks, we have established a detailed governance and management framework. We strive to meet the highest standards of corporate governance and have fully aligned with the ASX Corporate Governance Principles and Recommendations for the full year. Our latest Corporate Governance Statement is publicly available on our website, which contains a more comprehensive description of our Board structure and functions, corporate governance policies and our risk management framework.

Board changes

Our Board Renewal Policy outlines Sigma's approach to the appointment and renewal of non-executive directors. We strive to ensure that our Board is stable and comprised of directors who are knowledgeable about the Sigma business and the industry. We also encourage and promote diverse perspectives and actively ensure that skills and expertise on the Board keep pace with changes to the business.

As part of our renewal process, we welcomed three new non-executive directors to the Sigma Board in FY2024 – Mr Neville Mitchell, Ms Annette Carey, and Dr Chris Roberts AO. These appointments were associated with the departure of Mr David Manuel and Ms Christine Bartlett, who have both made substantial contributions to Sigma over several years. These changes have provided the Board with more health and logistics sector experience.

We are aware that our approach to Board renewal must be simultaneously guided by gender diversity targets that are set in our Diversity and Inclusion Policy. As at 31 January 2024, the female representation of directors was 33.3%.

Governance continued

Sustainability governance

Our ESG Steering Committee continues to drive and give oversight on our Plan to 2030 goals. The Committee is chaired by the Chief Executive Officer and includes the Chief Financial Officer, the Head of Corporate Affairs, the Chief People Officer, the General Counsel & Company Secretary, Chief Information Officer, Chief Commercial Officer, and the Chief Logistics Officer. Other attendees may be invited to provide specialised input on agenda items. The Committee is supported by an operational sub-committee, which reports to the Board on Sigma's ESG progress periodically.

During the year, the Committee held 11 meetings. To ensure that each material topic was given due consideration, the theme of each meeting alternated between three pillars of our Sustainability Framework – reduce our environmental impact, encourage healthy communities, and good governance and transparency.

To ensure that the Committee effectively drives progress on Sigma's sustainability goals, we developed a Terms of Reference in FY2024 to clearly define the responsibilities and operation of the ESG Steering Committee.

In FY2025, the Committee will focus on establishing a baseline for future climate reporting requirements, as well as prioritising initiatives in support of the company's net zero goal.

Business ethics

Sigma is committed to maintaining the highest standards of conduct and ethical behaviour in all our business activities and to promoting and supporting a culture of honest and ethical behaviour, corporate compliance, and good corporate governance.

Our Code of Conduct sets out the standards of behaviour expected by all employees, as well as the consequences for any breaches of this Code. The key principles of this Code include honest and ethical behaviour, respect for people and property, and legal compliance.

The Board of Sigma has a Statement of Values which form the guiding principles and norms that define the type of organisation Sigma aspires to be. In FY2024, we refreshed our Statement of Values to ensure that it aligns with our business strategy.

We are obsessed with delighting our customers	**We act with honesty, integrity and respect**
We are resilient and focused	**We deliver on our goals**

All team members completed training sessions during the year to understand how these refreshed values apply to their role at Sigma.

Our Delegation of Authority Policy (DOA) was extensively revised and updated in FY2023 to ensure that decisions within the business are being efficiently made by the appropriate team member and with the necessary authority. The updated DOA was extensively rolled out with training sessions and online modules for new employees. In FY2024, we have focused on ensuring that the DOA aligns with various technology tools used within the business including SAP (Financial), OneSigma (Human Resources) and Plexus (Document Execution) to remove discretion and ensure automatic flow through to the appropriate designated authority.

Quality Management Systems

In December 2023 Sigma Company Limited (SCL) achieved ISO 9001:2015 certification for our Wholesale distribution operations. We set ourselves a high standard for excellence and quality across the business, as befits our role in handling and distributing medicines across the nation. This accreditation recognises the standardised, best practice across all of our sites and is the culmination of many months of collaboration from multiple teams around the country.

Our risk management systems are aligned with the ISO 31000:2018 standard.

Australian Code of Good Wholesaling Practice (cGWP) for Medicines in Schedules 2, 3, 4 and 8.

Data privacy

Sigma handles personal information relating to suppliers, customers, loyalty program members, employees, and patients. The Sigma Privacy Policy has been developed in accordance with the Australian Privacy Principles (APPs) and the Privacy Act 1988 (Cth.), and guides how we manage personal information that we collect, access, store, use, and disclose while operating our business. Our Privacy Policy is publicly available on our website.

We are pleased to report that there were no reportable data breaches in FY2024 involving theft of personal information. Notwithstanding this, we have identified areas to improve and enhance including employee training once new Commonwealth legislation in released in 2024.

During the year, we updated the Sigma Privacy Policy and established a Document Retention Destruction Policy. This Policy outlines the document retention responsibilities of employees for maintaining and documenting the storage and destruction of documents and records held by Sigma.

Cybersecurity

Sigma is committed to mitigating the risk of cybersecurity breaches.

In FY2024, we continued to invest in an ISO 27001 aligned Information Security Program. The company experienced no cybersecurity breaches during the year.

We are constantly aware that cybersecurity presents a material risk to our business, and we completed several improvements to minimise the risk of those events occurring. These initiatives include:

- Implemented a managed service Security Operations Centre (SOC) with Rapid 7.
- Implemented SAP Cloud Identity Access Governance (IAG).
- Performed a Disaster Recovery switchover to our backup ERP system in our failover Data Centre.

- Held four Security, Risk & Privacy Committee meetings.
- Performed a mock cyber breach workshop with the Executive Leadership Team.

Anti-bribery and corruption

Sigma is committed to working collaboratively to build long-term relationships that reward partners, benefit consumers and support communities. We expect that directors and team members act with integrity to develop trust, open communication and mutual accountability between Sigma and its partners.

The Anti-Bribery and Corruption (ABAC) Policy sets out our approach to dealing with all aspects of bribery and corruption, including making political donations, providing gifts, entertainment, or hospitality in addition to guidance on how incidents of corruption should be reported internally.

Sigma also maintains a Conflicts of Interest Register, that was refreshed and updated during the year. Disclosure forms were sent to all team members to capture new and existing conflicts, to ensure that all conflicts were being appropriately and consistently managed. All reported conflicts were then reviewed by the newly established Conflicts Committee comprising the Chief People Officer, Chief Financial Officer, and General Counsel & Company Secretary.

Another new initiative for FY2024 was the introduction of a new Gifts and Entertainment Policy and Gifts and Entertainment Register that requires all gifts over $100 received by team members and Directors to be recorded and approved by the Chief Executive Officer. This register is actively managed and maintained.

Whistleblower policy

Our Whistleblower Policy requires all employees to report any suspected illegal or unethical behaviour and makes special protections for those team members against harassment, vilification, or employment consequences. This Policy is reviewed every two years, and the next review will occur in FY2025.

All matters reported under this Policy are investigated and the Risk Management and Audit Committee (RMAC) is informed of all material incidents reported under the Policy.

During the year, we continued to use an external provider to provide an independent 24/7 hotline that gives team members and other stakeholders confidence to make an anonymous report should they choose to do so in preference to internal channels.

Risk management

Sigma understands that risk management is a key component of good corporate governance and important to achieving strategic and operational objectives. We believe that effective risk management is a source of insight and competitive advantage as it improves decision making, defines opportunities and mitigates material events that may impact shareholder value. Sigma is committed to the ongoing development of a strategic and consistent enterprise-wide risk management program, to ensure that our significant risks are appropriately identified, treated, assessed, and monitored.

Sigma follows an Enterprise Risk Management Policy and has adopted an enterprise-wide risk management process. This incorporates a system of risk oversight, risk management and internal control designed to identify, assess, monitor, and manage risks consistent with ISO 31000 risk management guidelines and the three lines of defence model.

Backed by strong internal control systems, the current Risk Management Framework consists of the following key elements:

- The Risk Management Policy is approved by the Board, which outlines the strategic and operational roles and responsibilities of the various entities in relation to risk management. These role definitions provide the foundation for appropriate risk management procedures, their effective implementation across the business and independent monitoring and reporting.
- The Board has ultimate responsibility for organisational risk management and is responsible for the overall internal control framework and for reviewing its effectiveness. To assist in discharging its responsibilities the Board has established the Risk Management and Audit Committee (RMAC).
- The RMAC is responsible for oversight and management of Sigma's risk management program.

During the year, Sigma engaged an external advisor to assist in the preparation of a detailed Business Resilience Program which is expected to be completed in FY2025. Although we had site-based Business Continuity Plans (BCPs), we identified a need to update our framework to provide greater resilience coverage across the whole business, and to align with international and local standards (AS/NZS 5050-2010 and ISO 27031:2011).

Key risks and opportunities

At Sigma, we acknowledge that our business thrives in a dynamic environment characterised by emerging risks that have the potential to disrupt our business operations and hinder progress on our strategic objectives. We continue to focus on a system-based approach to business risk management.

The RMAC assists the Board in overseeing the group's risk profile and is responsible for overseeing management's actions in the identification, management, and reporting of material business risks, including environmental, social and governance risks.

Sigma reports on key financial and non-financial risks that have been identified as material to our operations and how they make an impact on our business and stakeholders within the Operating and Financial Review section of our Annual Report.

Appendix – Consolidated Data Table

	Metric	FY24	FY23	FY22
Our operations				
Business support centres	number	1	2	2
Distribution centres	number	9	9	9
TGA licensed packing facilities	number	3	3	3
Countries sourced for medical consumables and devices	number	>10	>10	>10
Total over the counter products	number	>11,300	>11,300	>11,300
Total pharmaceutical products	number	>4,600	>4,600	>4,600
Deliveries in full	percent	>99.9		
Dispatched on time	percent	>99.0		
Our people				
Team member profile				
Total team members	number	814	850	1,123
Total FTE	number	801.5	830.8	1,056
Total female team members	number	520	550	663
Total male team members	number	294	300	460
Proportion of women in senior management positions	percent	40	27	28
Proportion of women in executive team	percent	37.5	28	0
Proportion of women on the board	percent	33	40	40
Total team members under 30 years of age	number	108	107	153
Total team members between 30-50 years of age	number	470	497	614
Total team members over 50 years of age	number	236	246	356
Breakdown by state				
Total female team members in WA	number	16	16	20
Total male team members in WA	number	17	19	15
Total female team members in NT	number	2	3	2
Total male team members in NT	number	3	3	3
Total female team members in QLD	number	159	172	156
Total male team members in QLD	number	66	71	81
Total female team members in SA	number	9	16	11
Total male team members in SA	number	17	15	17
Total female team members in NSW	number	70	84	70
Total male team members in NSW	number	40	43	49
Total female team members in VIC	number	251	250	403
Total male team members in VIC	number	144	140	277
Total female team members in TAS	number	13	9	10
Total male team members in TAS	number	7	9	9

	Metric	FY24	FY23	FY22
Parental leave				
Team members that took parental or secondary carer's leave				
Female	number	33	20	36
Male	number	7	8	5
Team members that returned to work in reporting period after parental leave or secondary carer's leave ended				
Female	number	13	12	15
Male	number	7	6	2
Team members that returned to work after parental or secondary carer's leave ended that were still employed 12 months later				
Female	number	4	12	22
Male	number	3	4	1
Team member engagement and development				
Engagement survey participation (of total team members)[10]	percent	N/A	N/A	75%
Overall engagement score (of participating team members)	percent	N/A	N/A	51%
Total team members receiving regular performance and career development reviews	percent	100	100	100
Health and safety				
Compliance audit result (average across all sites)[11]	percent	92	80	91
Lost time injuries (LTI)	number	4	3	4
Movement in LTI year on year	percent	33	-25	-20
Lost time injury frequency rate (LTIFR)	number	2.18	1.83	2.66
Movement in LTIFR year on year	percent	19	-31	24
Gender Pay Gap for Average (mean) total remuneration				
Male total salary – female total salary)/female total salary	percent	18.2		
Annual total compensation ratio (median)				
Ratio for highest paid individual – all team members (excluding the highest-paid individual)	ratio	44:1		
Ratio of percentage increase for highest paid individual to all team members (excluding the highest-paid individual)	percent	1.08		
Our customers and community				
Customers				
Pharmacies served	number	>1,200	>1,200	>1,200
Aged care centres served	number	621	638	>552
Australian consumer pharmacy spend	percent	13.3	17.6	17
Units supplied to community pharmacies	number	>230m	>230m	>220m

10. A Team member engagement survey was not conducted in 2021/22 or 2022/23.

11. Annual health and safety compliance audit.

	Metric	FY24	FY23	FY22
Community investment				
Total community investment	AUD	**$2,246,000**	$91,000	$70,000
Supply chain				
Total occurrences of child labour	number	**0**	0	0
Average delivery time	hours	**<24**	<24	<24
Medication management best in market accuracy rate	percent	**99.99**	99.99	99.99
Our environment				
Waste[12]				
Waste diverted from landfill and recovered	tonnes	**2,362**	2,341	2,779
Waste to landfill	tonnes	**955**	965	856
Total waste generated from operations	tonnes	**3,317**	3,306	3,635
Materials				
Average cardboard box reuse	times	**3 to 4**	3 to 4	3 to 4
Sheets of paper offset	number	**3,400,000**	5,100,000	8,700,000
Emissions				
Diesel usage[13]	kwh	**25,240**	10,790	
Non-renewable electricity usage[14]	kwh	**9,251,457**	11,451,916	12,220,816
Renewable solar electricity usage[15]	kwh	**2,831,000**	2,011,480	1,514,299
Total electricity consumption	kwh	**12,082,457**	13,463,396	13,735,115
Total energy consumption	kwh	**12,107,697**	13,474,186	13,841,769
Scope 1 emissions[16]	tonnes CO_2e	**7.57**	3.37	27
Scope 2 emissions[16]	tonnes CO_2e	**6,594**	8,610	11,112
Total Scope 1 and 2 emissions[16]	tonnes CO_2e	**6,601**	8,613	11,139
Our governance				
Whistleblower allegations reviewed and closed	number	**0**	1	0
Reportable data privacy and cybersecurity breaches	number	**0**	0	0
Team member completion of mandatory training within prescribed timeline	percent	**82**	Unavailable	Unavailable

12. Waste data is calendar year data. Data is based on waste reports provided by waste contractors servicing the largest 10 sites of the 14 we occupy. Sigma considers the remaining 10 sites as non-material sources of waste generation. We are implementing a process to improve our waste volume data collection.

13. Data is based on actual diesel purchased for sites requiring diesel refill during the year and using the energy conversion factor from NGER measurement determination 2008.

14. Data is measured on the actual electricity consumption as recorded in web-based utility platforms or invoices for electricity consumption for the sites occupied by Sigma in the reporting period. Sigma occupied 14 sites in the reporting period and was unable to collect electricity consumption data for one office in a shared commercial site, however the consumption data is considered immaterial.

15. Data is based on performance reports from solar generation monitoring third-party. All solar electricity generated on site is consumed by Sigma sites. Sigma has five sites with photovoltaic systems.

16. Emissions data is calendar year data.

Appendix – GRI Content Index

GRI (2021) Index for Sustainability Reports

Statement of Use: Sigma Healthcare Limited has reported the information cited in this GRI content index for the period 1 February 2023 – 31 January 2024 with reference to the GRI Standards (2021).

Disclosure	Location or comment
GRI 1: Foundation 2021	
This Sustainability Report has been prepared in line with the principles for defining report content and quality, including undertaking a materiality assessment.	
GRI 2: General Disclosures 2021	
2-1 Organisational details	About Sigma Healthcare (pg. 5)
2-2 Entities included in the organisation's sustainability reporting	Annual Report 2023/24
2-3 Reporting period, frequency and contact point	About this report (pg. 1)
2-4 Restatements of information	An error in the Consolidated Data Table that was included in the Sustainability Report 2022/23 that had the effect of overstating Total Diesel consumed. The error has been corrected in this Report.
2-5 External assurance	Not applicable
2-6 Activities, value chain and other business relationships	About Sigma Healthcare (pg. 5)
	Our value chain (pg. 6)
2-7 Employees	Consolidated data table (pg. 34)
2-8 Workers who are not employees	Consolidated data table (pg. 34)
2-9 Governance structure and composition	Sustainability governance (pg. 32)
	Corporate Governance Statement 2023/24
2-10 Nomination and selection of the highest governance body	Corporate Governance Statement 2023/24
	Board Renewal Policy
	Diversity and Inclusion Policy 2024
	Nomination and Remuneration Charter
2-11 Chair of the highest governance body	Corporate Governance Statement 2023/24
	Board Charter
2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability governance (pg. 32)
	Corporate Governance Statement 2023/24
	Board Charter
2-13 Delegation of responsibility for managing impacts	Sustainability governance (pg. 32)
2-14 Role of the highest governance body in sustainability reporting	Board Charter
2-15 Conflicts of interest	Anti-bribery and corruption (pg. 33)
	Code of Conduct Policy

Appendix – GRI Content Index continued

Disclosure	Location or comment
2-16 Communication of critical concerns	The Executive Management team raises any critical concerns and whistleblower reports to the attention of the Audit and Risk Management and Audit Committee and/or the Board as soon as is required depending on the risk rating (in the context of Sigma Healthcare's risk appetite).
2-17 Collective knowledge of the highest governance body	Sustainability governance (pg. 32)
2-18 Evaluation of the performance of the highest governance body	Sigma Healthcare Limited Board Charter
	Nomination and Remuneration Charter
2-19 Remuneration policies	Annual Report 2023/24
2-20 Process to determine remuneration	Annual Report 2023/24
	Nomination and Remuneration Charter
	WGEA Reporting 2023-24
2-21 Annual total compensation ratio	Consolidated data table (pg. 37)
2-22 Statement on sustainable development strategy	Plan to 2030 (pg. 12)
2-23 Policy commitments	Code of Conduct Policy Ethical Sourcing and Modern Slavery Policy 2024
2-24 Embedding policy commitments	Modern Slavery Statement 2023
	Code of Conduct Policy
	Ethical Sourcing and Modern Slavery Policy 2024
2-25 Processes to remediate negative impacts	Whistleblower Policy
2-26 Mechanisms for seeking advice and raising concerns	To raise a concern, stakeholders can contact: • Kara McGowan on +61 3 9215 9215 or via email on kara.mcgowan@sigmahealthcare.com.au • Linchpin Legal Group Pty Ltd on +61 1300 806 216 or via email on alertsigma@llm.net.au
2-27 Compliance with laws and regulations	No significant breaches or laws and/or regulations occurred in FY2024.
2-28 Membership associations	Stakeholder engagement (pg. 8)
2-29 Approach to stakeholder engagement	Stakeholder engagement (pg. 8)
2-30 Collective bargaining agreements	Seven collective bargaining agreements are in place
GRI 3: Material Topics 2021	
3-1 Process to determine material topics	Sustainability framework (pg. 10)
3-2 List of material topics	Material topics (pg. 11)
3-3 Management of material topics	People (pg. 15)
	Customers and community (pg. 21)
	Environment (pg. 25)
	Governance (pg. 31)

Disclosure	Location or comment
GRI 205: Anti-corruption 2016	
205-1 Operations assessed for risks related to corruption	No operations assessed
205-2 Communication and training about anti-corruption policies and procedures	The Anti-Bribery and Corruption Policy requires management to ensure that team members who are likely to be exposed to bribery or corruption are aware of the Policy, and understand how to recognise and deal with these cases
205-3 Confirmed incidents of corruption and actions taken	No confirmed instances in FY2024.
GRI 206: Anti-competitive Behaviour 2016	
206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	No instances of legal actions in FY2024.
GRI 302: Energy 2016	
302-1 Energy consumption within the organisation	Energy and emissions performance (pg. 27)
302-2 Energy consumption outside of the organisation	Information unavailable
302-3 Energy intensity	Data not available
302-4 Reduction of energy consumption	Energy and emissions performance (pg. 27)
302-5 Reductions in energy requirements of products and services	Not applicable
GRI 305: Emissions 2016	
305-1 Direct (Scope 1) GHG emissions	Energy and emissions performance (pg. 27)
305-2 Energy indirect (Scope 2) GHG emissions	Energy and emissions performance (pg. 27)
305-3 Other indirect (Scope 3) GHG emissions	Information unavailable
305-4 GHG emissions intensity	Information unavailable
305-5 Reduction of GHG emissions	Information unavailable
GRI 306: Waste 2020	
306-1 Waste generation and significant waste-related impacts	Waste performance (pg. 26)
306-2 Management of significant waste-related impacts	Australian Packaging Covenant (pg. 26)
306-3 Waste generated	Waste performance (pg. 26)
306-4 Waste diverted from disposal	Waste performance (pg. 26)
306-5 Waste directed to disposal	Waste performance (pg. 26)
GRI 307: Environmental Compliance	
307-1 Non-compliance with environmental laws and regulations	Sigma Healthcare has not identified any non-compliance with environmental laws and/or regulations
GRI 401: Employment 2016	
401-1 New employee hires and employee turnover	Consolidated data table (pg. 34)
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Team members engaged on maximum term contracts do not participate in the annual short term incentive program, and cannot access novated leasing arrangements
401-3 Parental leave	Consolidated data table (pg. 34)

Appendix – GRI Content Index continued

Disclosure	Location or comment
GRI 403: Occupational Health and Safety 2018	
403-1 Occupational health and safety management system	Health and safety (pg. 17)
403-2 Hazard identification, risk assessment, and incident investigation	Health and safety (pg. 17)
	Our safety performance (pg. 17)
403-3 Occupational health services	Health and wellbeing (pg. 18)
403-4 Worker participation, consultation, and communication on occupational health and safety	Health and safety (pg. 17)
	Diversity objectives and reporting (pg. 15)
403-5 Worker training on occupational health and safety	People development, recognition, and retention (pg. 18)
403-6 Promotion of worker health	Health and wellbeing (pg. 17)
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Team members health, safety, and wellbeing (pg. 17)
	Health and safety (pg. 17)
	Our safety performance (pg. 17)
403-8 Workers covered by an occupational health and safety management system	Health and safety (pg. 17)
403-9 Work-related injuries	Our safety performance (pg. 17)
403-10 Work-related ill health	No cases of recordable work-related ill health or fatalities due to work-related ill health in FY2024.
GRI 404: Training and Education 2016	
404-1 Average hours of training per year per employee	4.31 hours per team member
404-2 Programs for upgrading employee skills and transition assistance programs	People development, recognition and Retention (pg. 18)
404-3 Percentage of employees receiving regular performance and career development reviews	People development, recognition and Retention (pg. 18)
GRI 405: Diversity and Equal Opportunity 2016	
405-1 Diversity of governance bodies and employees	Diversity objectives and reporting (pg. 15)
405-2 Ratio of basic salary and remuneration of women to men	Diversity objectives and reporting (pg. 15)

Disclosure	Location or comment
GRI 406: Non-discrimination 2016	
406-1 Incidents of discrimination and corrective actions taken	Our safety performance (pg. 17)
GRI 408: Child Labour 2016	
408-1 Operations and suppliers at significant risk for incidents of child labour	No operations or suppliers identified in FY2024.
GRI 409: Forced or Compulsory Labour 2016	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	No operations or suppliers identified in FY2024.
GRI 413: Local Communities 2016	
413-1 Operations with local community engagement, impact assessments, and development programs	Supporting community (pg. 23)
413-2 Operations with significant actual and potential negative impacts on local communities	No actual or potential negative impacts identified.
GRI 414: Supplier Social Assessment 2016	
414-1 New suppliers that were screened using social criteria	Modern Slavery Statement 2023
414-2 Negative social impacts in the supply chain and actions taken	Modern Slavery Statement 2023
GRI 415: Public Policy 2016	
415-1 Political contributions	No political contributions made in FY2024.
GRI 416: Customer Health and Safety 2016	
416-1 Assessment of the health and safety impacts of product and service categories	Not applicable
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Not applicable
GRI 418: Customer Privacy 2016	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data privacy (pg. 32)

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