



Sustainability Report  
2021/22



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## ABOUT THIS REPORT

This Sustainability Report provides information on the overall sustainability management and performance of Sigma Healthcare from 1 February 2021 to 31 January 2022, aligning with the company's financial reporting period. This report complements Sigma Healthcare's Annual Report, Corporate Governance Statement, Board Charters and Corporate Policies which are publicly available on our [website](#). The aim of this second report is to communicate transparently on key 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 scope is based on Sigma's operational control, including the distribution processes and management systems across the country. We have considered the Global Reporting Initiative (GRI) Standards and the Task Force on Climate-related Disclosures (TCFD) Recommendations in preparing this Report. For guidance on alignment with the GRI Standards, GRI index has been included.

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

### Sigma Investor Centre\*

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\* From 1 June 2022 Sigma Healthcare's new registered address and Business Support Office is: Level 4-6 M-City Office Building and Business District 2107-2125 Dandenong Road Clayton VIC 3168.

# MESSAGE FROM OUR BOARD AND EXECUTIVE

**It gives us great pleasure to welcome you to our Sustainability Report 2021/22. This report presents an overview of our approach, performance and initiatives across the key ESG matters for our business and our stakeholders.**

As our businesses recover from the far-reaching impacts of the COVID-19 pandemic, the global community resonates with the idea of building back stronger. At Sigma we strive to emphasise our sustainability, operational resilience and workforce agility to revitalise our business for the next phase of growth. In these extraordinary times, we remain strong in our commitment to uplift communities and enhance access to affordable healthcare for all.

Last year we set a 'Plan to 2030' with key goals under each of our sustainability focus areas. This year we are providing our stakeholders with a view of our progress so far, our current focus and our next steps in relation to this plan and our overall sustainability journey. We gathered feedback and

insights from our stakeholder engagement process which feeds into our materiality assessment process on an ongoing basis. Our report reflects our continued efforts to evolve our ESG management practices and our communication of these activities in line with the evolving nature of ESG-related matters with a focus on improved disclosure for our stakeholders.

We acknowledge the challenges that climate change is posing to the world and the potential risks and opportunities arising for Sigma. As such, we have set ourselves a phased approach to implementing the recommendations of the the Taskforce on Climate related Financial Disclosures (TCFD) across its pillars of governance, strategy, risk management, metrics and targets. We are pleased to share our TCFD roadmap, detailing our steps to comprehensively responding to the potential impacts of climate change in line with the TCFD.

As a facilitator of packaging and waste generation, we are committed to manage waste responsibly. Sigma has been a member of the Australian Packaging Covenant Organisation (APCO) since 2014. To enable continuous improvement of

our waste management strategies, we have engaged a third-party to undertake a deep analysis of our current practices against the APCO criteria to understand gaps and the corresponding actions for improvement.

As the 'engine' behind our sustainability efforts, developing our team for success is one of our top business priorities. We recognise that the passion, the expertise and the capability of our people are the key drivers of our sustainability outcomes. This year, we continued to support our teams through engagement, development and recognition, and through our on-going efforts to maintain a safe and healthy work environment, particularly as the challenges of COVID-19 persist, and a diverse and inclusive culture.

Key to our diverse workforce and for our employees' wellbeing this year we have updated our Parental Leave Policy to better support them through this new and crucial phase in their lives. Our policy now includes six-weeks of paid parental leave for the primary caregiver, one-week paid leave for the secondary carer and the payment of superannuation contributions for 18 weeks.

In FY23, Sigma will be establishing an 'ESG Steering Committee' which will drive and provide oversight on our ESG focus areas, and report ESG progress to the Board on a periodic basis.

With these initiatives and developments, we aim to set relevant targets to drive our sustainability performance and look forward to advancing our sustainability journey over the coming years.

We thank all our stakeholders for their support.

Regards,

**Christine Barlett**

Non-Executive Director, Chair of the People and Remuneration Committee, Board Sustainability Sponsor

**Gary Woodford**

Corporate Affairs Manager, Executive Sustainability Sponsor





# HIGHLIGHTS

## Environment

Around 77% of waste diverted or recovered from landfill

Seven years as signatory to the APCO

Offset an equivalent of around 8.7 million sheets of paper as of 2022

Launched our TCFD adoption roadmap, detailing our steps to comprehensively understand and respond to the potential impacts of climate change

Engaged a third-party to undertake a deep analysis of our current waste management and packaging practices against the APCO criteria

Renewable energy production capacity of 1,500 kW powered by solar energy representing around 11% of total energy consumption

## Social

Launched the Sum of Wellbeing program with focus on health and wellbeing of our team members

Updated our Parental Leave Policy to better support the financial wellbeing of our team members

Maintained a compliance audit result of 91% year on year (average across all sites)

Free influenza vaccinations and facilitation of COVID-19 vaccinations during the year

>\$70,000 contributed to the community

Optimisation phase of the new ERP system to be completed over the year ahead to continuously improve customer service

## Governance

Commitment to establish an 'ESG Steering Committee' in 2022 to drive and give oversight to our ESG focus areas in line with our Sustainability Framework and 'Our Plan to 2030'

Continued the successful Leadership Labs Program designed to develop effective leaders and management skills

Launch of the 'Women in Leadership Program' for female leaders to strengthen our talent pipeline

Launched our Talent Management Tool, which is designed to support succession planning, coverage for critical roles, higher levels of employee retention and engagement and improved business performance

152 Shine Award nominations for our team members







# ABOUT SIGMA HEALTHCARE

Sigma Healthcare has been supporting the health of Australians for more than 110 years. We have been doing this by working collaboratively to build long-term relationships that support our communities, benefit our consumers and reward our partners.

## Our purpose

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

## Our strategic business imperatives

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

## 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 and hospital 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 wholesaling 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.
- Providing support for a range of community not-for-profit organisations that are aligned with our values.

## Our values

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At Sigma, we believe a united team and safe environment promote culture. We do this by trusting our team and partners. We openly communicate and hold each other accountable in a respectful way. We reward and recognise our team members for demonstrating our key values and behaviours which include:

- Accountability
- Respect
- Innovation
- Collaboration
- Honesty

## Our priorities

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- Develop our team for success
- Build strategic partnerships for growth
- Create innovative, differentiated and sustainable business models
- Optimise core capabilities



# OUR NATIONAL FOOTPRINT



## FOOTPRINT

Our customers

Pharmacies served

>1,200

Hospitals served

>500

Age care centres served

>552

Australian end customers served

MILLIONS

Over 600 Pharmacy Alliance Members and over 530 members operating under Sigma's pharmacy brands...



...representing 17%\* of consumer pharmacy spend

\* IBS World Report.

Our operations

Business Support Centre

2

Distribution centres

9

TGA licensed packing facilities

3

Countries sourced for medical consumables and devices

>10

Over the counter products

>11,300

Pharmaceutical products

>4,600

Including full range of >4,000 PBS

# OUR BUSINESS

We are a leading healthcare provider with integrated operations delivering high-quality healthcare products and services to our customers across Australia.

On a daily basis, Sigma Healthcare delivers pharmaceuticals (including the full range of PBS and over the counter (OTC) products), dose administration aids (DAA), and medical devices and consumables to a wide range of customers nationwide. Our customers include our branded and independent pharmacies, community pharmacies, hospital pharmacies, aged care facilities, government and allied health facilities. From these customers, our delivered healthcare products reach millions of Australians.

Our main operations include contract logistics, distribution, and community pharmacy. We operate under the Sigma Healthcare Group umbrella with our Medication Packaging Systems (MPS) subsidiary specialising in the distinctive area of DAA products and services.

We support one of Australia's largest pharmacy networks, with over 1,200 aligned pharmacy brand members. With over 530 branded pharmacies under Sigma's network of Amcal+, Discount Drug Stores, Guardian, PharmaSave and WholeLife, our pharmacy brands account for around 17%\* of consumer spend in pharmacy across the country.

Operational Business	Contract Logistics	Wholesale	Community Pharmacy	Medication Packaging Systems (MPS)
Value	Providing third party and fourth party logistics services in Australia to pharmaceutical manufacturers.	One of the largest full line pharmaceutical wholesaler and distribution businesses in Australia, delivering daily to community pharmacies and hospital pharmacies nation-wide. Also sources and supplies medical consumables and medical devices to enable critical health care services by healthcare providers.	Pharmacy brand owner of one of Australia's largest pharmacy networks.	Provides DAA services to pharmacies and aged care facilities enhancing medication efficiency, efficacy and safety by reducing medication error risk, automating paperwork and administration and cutting inventory levels and wastage. MPS has the highest level of medication packaging accuracy in Australia.
Key operations	<ul style="list-style-type: none"> <li>Logistic services</li> <li>Warehousing</li> <li>Distribution</li> <li>Administration support</li> </ul>	<ul style="list-style-type: none"> <li>Warehousing</li> <li>Logistics</li> <li>Distribution</li> <li>Product sourcing</li> </ul>	<ul style="list-style-type: none"> <li>Pharmacy brands</li> <li>Franchise services</li> </ul>	<ul style="list-style-type: none"> <li>Medication packaging</li> <li>Medication management services</li> <li>Integrated technology solutions for medication provision and monitoring</li> </ul>
Key product/service	<ul style="list-style-type: none"> <li>Pharmaceuticals, including full range of PBS</li> <li>Over the counter</li> <li>Medical devices</li> <li>Medical consumables</li> </ul>	<ul style="list-style-type: none"> <li>Pharmaceuticals, including full range of PBS</li> <li>Over the counter</li> <li>Medical devices</li> <li>Medical consumables</li> </ul>	<ul style="list-style-type: none"> <li>Retail support services</li> <li>Marketing and promotional activity</li> <li>Training programs</li> <li>Private and Exclusive label products</li> </ul>	<ul style="list-style-type: none"> <li>DAA, including packettes, Redipacks and blister packing.</li> </ul>
First line customers	<ul style="list-style-type: none"> <li>Wholesalers</li> </ul>	<ul style="list-style-type: none"> <li>Branded and independent pharmacies</li> <li>Community pharmacies</li> <li>Hospital pharmacies</li> <li>Aged care facilities</li> <li>Allied health facilities</li> <li>Government agencies</li> </ul>	<ul style="list-style-type: none"> <li>Community pharmacies</li> </ul>	<ul style="list-style-type: none"> <li>Pharmacies</li> <li>Aged care facilities</li> </ul>
End customers	<ul style="list-style-type: none"> <li>Pharmacy customers</li> </ul>	<ul style="list-style-type: none"> <li>Pharmacy customers</li> <li>Pharmacists</li> <li>Aged care personnel</li> <li>Government employees</li> </ul>	<ul style="list-style-type: none"> <li>Patients</li> </ul>	<ul style="list-style-type: none"> <li>Pharmacy customers</li> <li>Aged care patients</li> </ul>

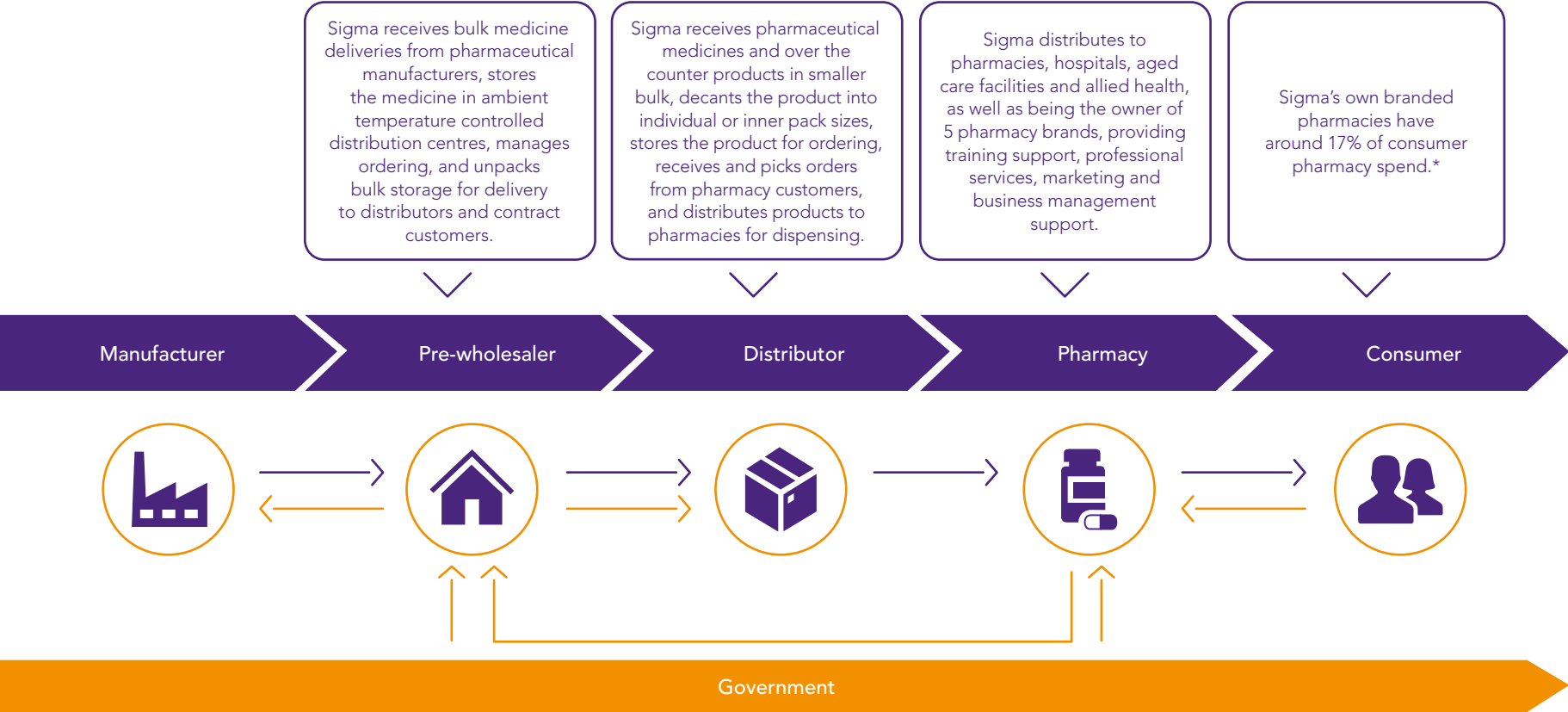
\* IBIS World report.



# HOW WE OPERATE

Sigma Healthcare continues to build strategic partnerships to grow and create an innovative, efficient, and sustainable value chain spanning from our suppliers to end consumers.

## Our Value Chain



\* IBIS World report.

# OUR APPROACH TO SUSTAINABILITY

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

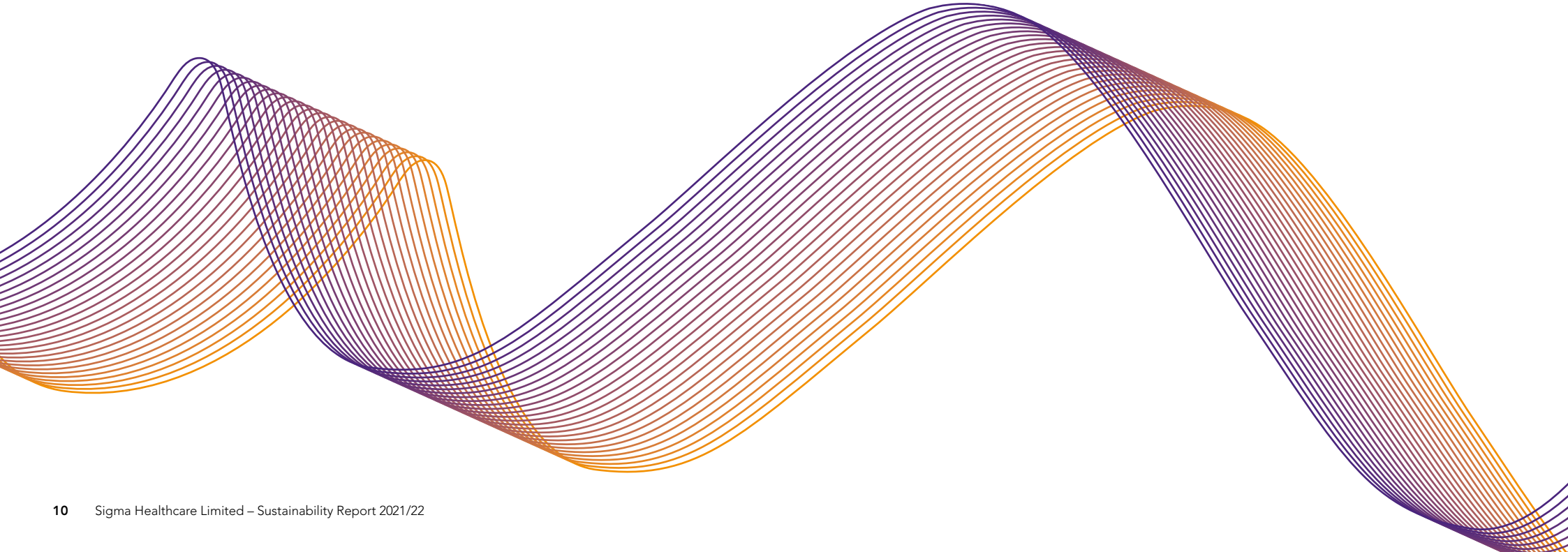
## Our Sustainability Framework

- Reduce our environmental impact
- Encourage healthy communities
- Good governance and transparency

As a result of our first materiality assessment last year, our Sustainability Framework considers the ESG topics that were defined as material for our business and focuses on those identified as a priority.

This year we reviewed our material topics and analysed feedback from dedicated one-on-one meetings with our investors and investment organisations.

The outcome of our engagements corroborated our current ESG material topics and highlighted areas for improvement in our current ESG disclosure practices. This year's Sustainability Report has been enhanced to respond to feedback from our stakeholders.

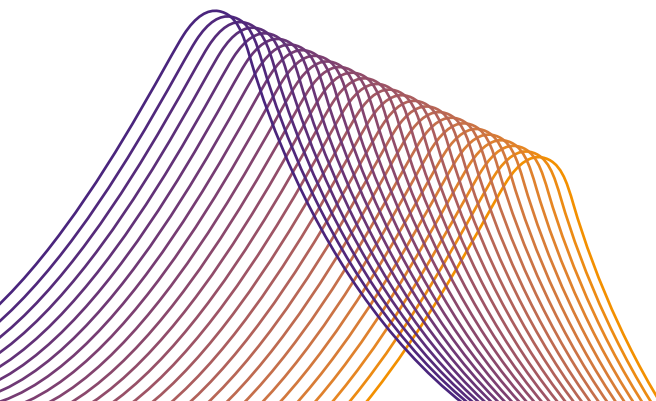




# OUR MATERIAL TOPICS

The following are the material ESG issues, linked to our Sustainability Framework, as identified through our stakeholder engagement and materiality assessment.

Sustainability pillar	Sustainability framework areas of focus	Material issues	Relevant Sections in this Report
Environment	Reduce our environmental impact	<ul style="list-style-type: none"> <li>• Energy management</li> <li>• Carbon emissions</li> <li>• Physical impacts of climate change</li> <li>• Waste and hazardous materials</li> <li>• Life cycle management</li> </ul>	<ul style="list-style-type: none"> <li>• Environment</li> <li>• Waste management</li> <li>• Energy and emissions management</li> <li>• Climate change mitigation and adaptation</li> </ul>
Social	Encourage healthy communities	<ul style="list-style-type: none"> <li>• Employee engagement and diversity</li> <li>• Health and safety for customers and staff</li> <li>• Modern slavery and supply chain management</li> <li>• Access and affordability to healthcare</li> <li>• Product quality and safety</li> <li>• Customer experience</li> </ul>	<p>Our People</p> <ul style="list-style-type: none"> <li>• Diversity</li> <li>• Employee health, safety, and wellbeing</li> <li>• People development, recognition, and retention</li> <li>• Employee engagement</li> </ul> <p>Our Society</p> <ul style="list-style-type: none"> <li>• Supply chain and modern slavery</li> <li>• Supporting community</li> <li>• Customer experience</li> </ul>
Governance	Good governance and transparency	<ul style="list-style-type: none"> <li>• Board governance</li> <li>• Business ethics</li> <li>• Financial sustainability</li> <li>• Data security</li> </ul>	<p>Corporate Governance</p> <ul style="list-style-type: none"> <li>• Sustainability</li> <li>• Business ethics</li> <li>• Anti-bribery and corruption</li> <li>• Privacy</li> <li>• Share Trading Policy</li> <li>• Whistleblower Policy</li> <li>• Risk Management</li> </ul>







# OUR PLAN TO 2030

Last year we set a 'Plan to 2030' with key goals under each of our sustainability focus areas. The table below provides an overview of our goals (please refer to Appendix 'Our Plan to 2030' for more details). 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

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- Increase the environmental efficiency of our distribution centres
- Reduce our operational waste and meet the requirements of the Australian Packaging Covenant
- Investigate opportunities to divert solid waste generated at facilities (warehouses, offices and retail stores)
- Respond to the Taskforce on Climate Related Financial Disclosures and quantify our exposure to climate change

### Social – Invest in the health and wellbeing of our team and the communities we serve

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- Launch a diversity and inclusion strategy that ensures our workforce reflects the communities we serve and provides an inclusive environment for our people
- Develop a strategy to support the inclusion of First Nations Australians across our value chain
- Launch community programs that are meaningful to our customers
- Invest in the health and wellbeing of our people
- Support equitable access to available medicines for all Australian communities
- Operate a responsible and ethical supply chain that mitigates the risk of modern slavery

### Governance – Operate our business in an ethical way and transparently report on our operations and decision-making process

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- Ensure we are a responsible steward of stakeholder data and privacy
- Report transparently to the market on financial and non-financial performance
- Engage with the industry and government to ensure a transition to a sustainable future

# 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 manage our business and its impact responsibly.

Stakeholder	Engagement channels
 <p data-bbox="264 715 439 738">Team Members</p>	<p data-bbox="465 603 1957 651">Our team members are at the forefront of creating new possibilities and growth avenues for our business. We engage with our team members through various channels including,</p> <ul data-bbox="465 663 1128 783" style="list-style-type: none"> <li>• our biannual engagement surveys and pulse survey every other year</li> <li>• mid-year and annual performance reviews</li> <li>• business policy compliance and regular communication</li> <li>• our health and wellbeing program</li> </ul> <p data-bbox="465 802 1957 847">We exercise further engagement with our team members through face-to-face briefings, team meetings and online platforms to enable greater connection and productivity. Our online platforms include our Learning Management Solution which delivers online induction and compliance training to our team members.</p>
 <p data-bbox="264 925 387 949">Customers</p>	<p data-bbox="465 874 2047 997">We are committed to understanding the changing needs of our customer base across our community pharmacy businesses. We actively engage with our customers to identify any concerns or areas for improvement, including feedback on how we are meeting their expectations. One of our key channels of consultation is our Voice of Customer engagement program which we conduct on a regular basis. Our operations are also guided by the member councils, providing pharmacy owners direct feedback to enhance support for their communities. Our consultation mechanisms include hospital pharmacy customers where we work together to ensure that services and medicines are accessible for all Australians in a timely manner.</p>
 <p data-bbox="264 1085 394 1109">Community</p>	<p data-bbox="465 1034 2074 1102">We serve Australian communities by providing access to the full range of Pharmaceutical Benefits Scheme (<b>PBS</b>) and National Diabetes Services Scheme (<b>NDSS</b>) medicines and healthcare products, usually within 24 hours. We adopt relevant engagement pathways with our communities to serve them better and beyond our operational reach, which include:</p> <ul data-bbox="465 1115 1991 1166" style="list-style-type: none"> <li>• collaborating with community organisations such as the Summer Foundation, which supports young people with a disability to gain access to adequate housing</li> <li>• investment in the form of donations to support community needs</li> </ul>
 <p data-bbox="264 1313 371 1337">Suppliers</p>	<p data-bbox="465 1193 2058 1262">We engage with our suppliers to work together in providing services and products with sustainable and responsible supply chains. We seek to do business with suppliers that have similar values and ethics, including those related to understanding and addressing human rights. Further details of our engagement with suppliers and the risk management process on human rights can be found in our <a href="#">Modern Slavery Statement</a>.</p> <p data-bbox="465 1294 1973 1318">Considering the nature of our business, we engage with suppliers who provide both services and products. Our consultation mechanisms with suppliers include:</p> <ul data-bbox="465 1331 2058 1463" style="list-style-type: none"> <li>• tender processes for certain service suppliers to assess their ability to perform a defined scope of work and their overarching approach to sustainability. We are developing a system for risk assessments and reference checks as part of routine due diligence so that post engagement, identified high-risk suppliers can be assessed by regular business reviews for their performance and continued engagement.</li> <li>• to ensure regulatory compliance across the supply chain, our operations must acquire, store and distribute any medicine that is listed on the PBS, which limits our ability to influence in this category.</li> </ul>

## Stakeholder

## Engagement channels



### Shareholders

We seek to provide a high level of transparency and engage with our investors through a range of activities and communication mediums, including:

- half-yearly and annual financial results
- Annual General Meeting
- market updates
- conference presentations
- one on one meetings
- publication of ASX announcements

In addition, we have a dedicated internal Investor Relations team who look after our key shareholder relationships and maintain our publicly available investor centre, which contains our Annual Report, Corporate Governance Statement, Board Charters, Corporate Policies and Procedures. We also engage more broadly via our Sigma Healthcare social media accounts on LinkedIn and Facebook.

As a part of the materiality assessment process for this reporting period, we engaged with our investors through one-on-one meetings to gather their feedback and insights on ESG issues. This report includes the ESG factors our investors have indicated are important to them.



### Regulators and Industry

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 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
- Australian Border Force: 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.

We seek high level of risk and quality management systems across our business to ensure compliance, as follows:

- Our risk management systems are aligned with the ISO 31000:2018 standard.
- Sigma's wholly owned subsidiary Central Healthcare Services (**CHS**) has developed a Quality Management System that meets the requirements of ISO 9001: 2015, and Australian Code of Good Wholesaling Practice (**cGWP**) for Medicines in Schedules 2, 3, 4 and 8.
- Our CHS distribution centre at Kemps Creek also meets the requirements of ISO 13485:2016 Medical devices — Quality management systems.





At Sigma Healthcare, we actively nurture a culture that respects and embraces individual differences and values the many benefits associated with all aspects of diversity.

# OUR PEOPLE

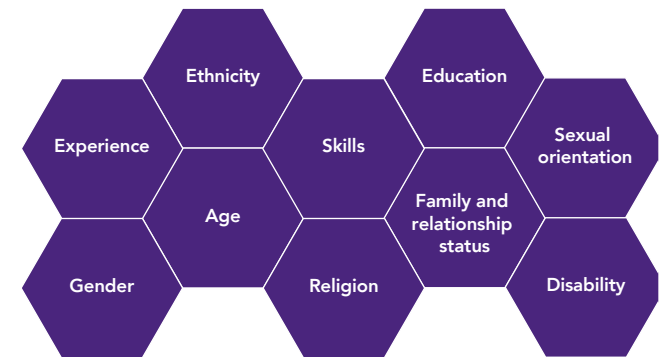
Our healthcare services continue to be critical for our communities throughout the pandemic. Caring for our communities is an extension of caring for our people as our people are the key enabler for our continued operations.

Sigma is committed to providing a diverse, inclusive, and safe work environment that is driven by strong employee engagement and development, and that promotes innovation and collaboration. Our workforce priorities play an essential role in developing highly supported, healthy, connected, purposeful and skilful team members who collectively contribute to the success of our business and our team.

## Diversity

At Sigma Healthcare, we actively nurture a culture that respects and embraces individual differences and values the many benefits associated with all aspects of diversity.

### We embrace diversity and inclusion



### We value the benefits for our people and our business



# OUR PEOPLE CONTINUED

We recognise the importance of ensuring a diverse workforce for our people to bring their whole self to work and for driving a more agile, innovative, attractive, and sustainable business in the long term.

Our inclusive culture reflects our “ARCHI” behaviours by which our team operate and are measured on Accountability, Respect, Collaboration, Honesty and Innovation.

## Our diversity principles



Furthermore, our Diversity Policy, Code of Conduct and the Good Working Relationship Policy have been implemented as part of our corporate governance framework to further support our diversity and inclusion efforts with principles that underpin our approach in this area.

## Diversity Objectives and Reporting

Sigma’s commitment to recognising the importance of diversity extends to all areas of our business. It has been an ongoing effort and focus of the Board to ensure gender pay equity exists across the business. We conduct an annual gender pay gap analysis. Results of the 2021 analysis confirmed that gender pay variances are not prevalent at Sigma when comparing male and female salaries for like-for-like positions and by level. There were no significant unexplainable variances in remuneration between the genders on a job basis.

The current diversity targets in place for Sigma are focussed on achieving a diverse workforce. Our targets are monitored under the oversight of the Board People and Remuneration Committee and include:

- Aim to achieve gender balance on the Board
- Aim to achieve gender balance across Executive and Senior Management positions
- Target equal gender participation in key talent management programs
- Monitor and address issues of gender pay equity.



The table below details key diversity indicators of our workforce year on year.

Metric	Proportion in 2020/21	Proportion in 2021/2022
Proportion of women employees within the Group	59%	59%
Proportion of women in senior management positions	38%	28%
Proportion of women in the Senior Executive Team	20%	0%*
Proportion of women on the Board	33%	40%

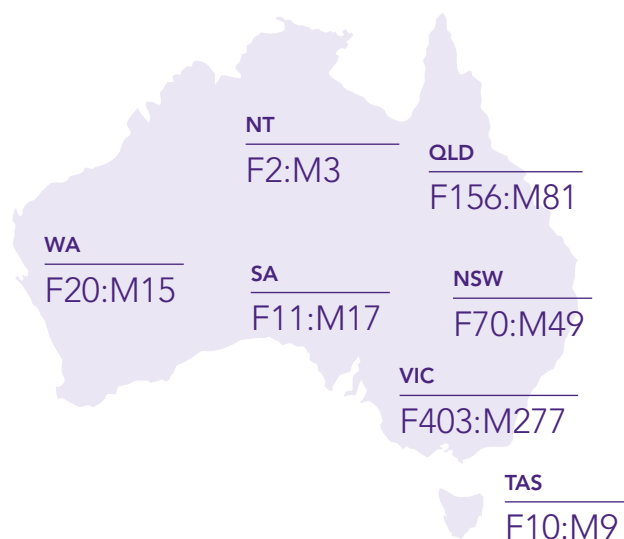
\* For the majority of the reporting period, the role of CFO was held by a female who stepped down from her position in November 2021.

## Workforce

Below is a representation of our workforce during the year including gender split, age breakdown year on year and country of origin.

Metric	2021/22
Headcount	1,123
Gender split	F59%:M41%
Age breakdown	Under 30 > 153 30 – 50 > 614 Over 50 > 356

## Gender split headcount (by state)



49%

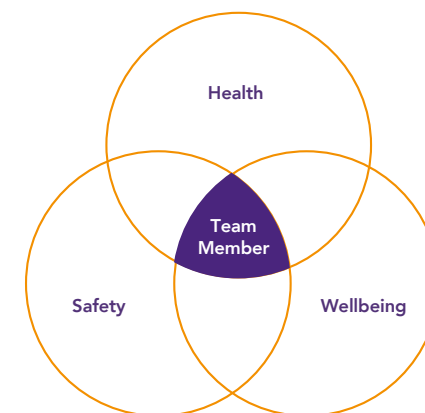
of our team members were born outside of Australia<sup>1</sup>

1. Figure based on responses to our latest Employee Engagement Survey with a participation of 75% of total employees, for further details refer to the 'Employee Engagement' section of this report.

## Employee health, safety and wellbeing

The health, safety and wellbeing of our team members is paramount for Sigma Healthcare. The ongoing challenges of COVID-19 continue to highlight that health is not limited to physical health, but that mental health and wellbeing are equally important.

### Our team members' safety, health and wellbeing...



...are paramount for Sigma Healthcare

# OUR PEOPLE CONTINUED

The table below provides an overview of how we support team member health, safety and wellbeing.

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

<ul style="list-style-type: none"> <li>• Health and Safety Management System                             <ul style="list-style-type: none"> <li>– Health and Safety Policy</li> <li>– Health and Safety Committee</li> <li>– Health and Safety Operations</li> <li>– Health and Safety Compliance and Performance Evaluation</li> </ul> </li> <li>• Family and Domestic Violence Policy</li> <li>• Parental Leave Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Employee Assistance Program</li> <li>• Sum of Wellbeing Program, including:                             <ul style="list-style-type: none"> <li>– A Health and Wellbeing Platform and App</li> </ul> </li> <li>• Mental Health Workplaces Program, including:                             <ul style="list-style-type: none"> <li>– R U OK Day</li> <li>– Quit smoking support</li> <li>– Drug and alcohol awareness</li> <li>– Free influenza vaccinations</li> <li>– Facilitation of COVID-19 vaccinations</li> </ul> </li> </ul>
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## Health and safety

At Sigma Healthcare, we believe that a safe and healthy work environment is a prerequisite for employee well-being, and the adoption of best safety practices has a direct impact on overall business performance. Safety is considered every team member's responsibility, and a safe working culture is promoted and encouraged at all levels. This commitment extends to all Sigma group and subsidiary companies, operations and their employees, visitors, and contractors.

Sigma has a robust Health and Safety Management System in place which is subject to an annual internal audit to verify process compliance and enable continuous improvement of our safety performance. Our Health and Safety Policy sets the overarching guidance to foster a culture of safety across the business and ensure provision of a safe work environment to our team members.

There is an oversight on health and safety at the Board level. The Board receives monthly reporting on the safety KPIs including safety programs, training and campaigns, incidents and corrective action plans, mental health, and wellbeing outcomes. The Board is advised by our Health and Safety Committee who meet regularly to discuss our business-specific health and safety issues.

We believe that team member consultation and participation on work health and safety matters is a key driver to improve safety performance and develop a uniform safety culture across the business.

To enable and facilitate worker participation, we offer the following avenues:

- Work Health and Safety Committee who meet regularly to receive feedback
- Health and Safety Representatives with whom team members can raise work health and safety concerns
- Wellbeing Champions who promote wellbeing activities at a local level.

We also monitor leading indicators on health and safety, which are proactive and preventive measures that help monitor the effectiveness of work health and safety management systems and reveal potential problems before they turn into incidents. These indicators that we track on a monthly basis include safety committee meetings held at a site level, fortnightly safety talks, workplace safety inspections at each site, hazard reports raised, and incident investigations undertaken for significant near miss incidents to identify corrective action.

Our health and safety system assists our operations as a platform to track, monitor and analyse health and safety information including hazards, risks, incidents, injuries, illness, incident investigation and KPIs.

Our top three incident types throughout 2021 were COVID-19 illness (suspected and/or confirmed), powered mobile plant – impact with objects and cut injuries/lacerations. Regular analysis of these incidents identified key themes and opportunities for reduction that were implemented and are monitored on an ongoing basis through our risk management processes, these include:

- Our COVID-19 incidents are managed using our COVID-19 response plan protocols in conjunction with State and Territory Health Department directions at a point in time. Sigma Group also has a mandatory COVID-19 vaccination policy for all persons working or entering our sites. Our COVID-19 High Risk Safety Plans address the COVID-19-related health risks at facility level by implementation of appropriate infection control practices.
- One of the primary causes of powered mobile plant incidents was a result of the flow on effect of COVID-19 impacting our labour force, with a high volume and turnover of short-term labour hire forklift drivers operating on our sites. We have engaged a registered training organisation to work directly with our new Truganina distribution centre on this issue to upskill new workers for forklift operation tailored to the site's process. We will monitor and evaluate the results of this program for positive effect.
- Cut injuries or lacerations were predominantly caused by incorrect use of box cutter type knives, where operators were cutting towards rather than away from themselves. Sigma has strengthened awareness provided in safety meetings on site, together with increased feedback from line managers on the job.



Less than 10% of those who have taken primary carers leave in the last 2 years did not return to work at the end of their leave.



# OUR PEOPLE CONTINUED

## Our safety performance

Metric	2020/21	2021/22
Compliance audit result (average across all sites)	91%	91%
Lost time injuries (LTI)	5	4
Lost time Injury Frequency Rate (LTIFR)*	2.15	2.66
Movement in LTI year on year	20% decrease	
Movement in LTIFR year on year	24% increase	

\* 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.

### Case Study: MPS Compliance Audit

At Sigma, we undertake Health and Safety Management System compliance auditing every year across all sites. This year our subsidiary MPS achieved a significant improvement with their compliance audit score (94% as compared to 81% in the previous year). Through consistent health and safety management, driven by a strong commitment from the leadership team to engage with personnel and closely monitor each site's Safety Action Plan (developed following 2020/21 compliance audits), MPS demonstrated considerable performance improvements.

Sigma recorded four LTI for the year, compared to five in the previous year, representing a decrease of 20% year on year which can be attributed to a focus on improvement by our logistics team. Sigma's primary business is logistics and this division has been an area of focus considering the significant health and safety risks associated with it. Our new distribution network includes safer work environments

and a higher level of automation which has reduced manual handling tasks that are associated with physical muscular skeletal type injuries seen in older distribution centres. Pleasingly, we have been able to achieve performance improvements as a result with a reduction in our logistics division's LTIRF by 60% year on year.

Our LTIFR for the year was 2.66, an increase of 24% year on year. This was due to an increase in the lost time of the injuries incurred in the year along with a decrease in the total number of hours worked in that period due to COVID-19 impacting our labour force. Specifically, two psychological injuries that resulted in a significant amount of lost time (more than ten days) were the main contributors to our LTIFR during the year.

Each LTI is investigated and used as a learning opportunity for both the related site and the Group as a whole. With psychological and psychosocial injuries becoming more common amidst COVID-19 and potential impacting on time lost, Sigma will continue to focus on mental wellbeing.

### Health and wellbeing

At Sigma, we understand that wellbeing has different meanings for our diverse workforce moving forward, based on their life stage. Individual factors as well as macro level factors such as 'political', 'economic', or even 'transitional events' (such as COVID-19) might impact an employee's wellbeing and consequently their mental health or even physical health. This might also result in potential negative business outcomes such as productivity loss, absenteeism, and others.

We encourage a culture of openness, and provide support to our team members through dedicated programs, initiatives and benefits. This year we continued to promote access to our Employee Assistance Program (EAP), which gives employees and eligible family members free access to independent, professional, and confidential coaching and support for their mental health and wellbeing needs. Our Mentally Healthy Workplaces program is also a key initiative which covers a range of health and wellbeing aspects for our team members, including participation in R U OK Day,

drug and alcohol awareness, support to quit smoking, free influenza vaccinations and facilitation of COVID-19 vaccinations for many of our workplaces.

Last year, we launched the Sum of Wellbeing program to support health and wellbeing of our team members. It provides access to relevant online web portal services, a Sum of Wellbeing App, and monthly initiatives such as inter-state fitness competitions, stress management training and healthy diet guidance. With approximately 44% of team members using the platform, it received positive feedback from team members who found it helpful for their wellbeing through the prolonged lockdown periods. With an aim to make our healthy initiatives more inclusive in nature, we have extended the Sum of Wellbeing App to our labour hire and contractors this year. Our focus moving forward will be to promote this platform so that it can boost employee engagement across the business on health and wellbeing needs and issues.

We recognise the importance of providing support to team members who may experience Family and Domestic Violence (FDV) at home. Our FDV Policy supports this effort through access to our EAP for both the team member and their direct family members, up to 10 days of FDV leave (five paid days and five unpaid) and access to flexible work arrangements including changes to working hours, patterns or location of work.

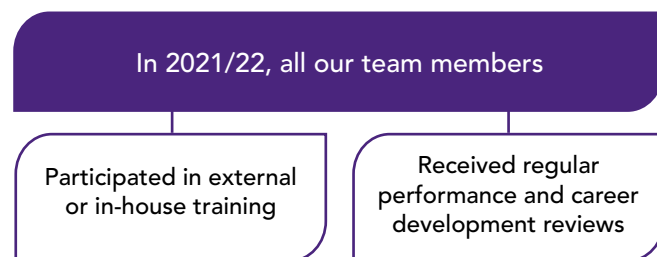
We have updated our Parental Leave Policy this year to include six weeks of paid leave for primary caregivers at the employee's ordinary pay rate, together with one week's paid leave for secondary carers (three male team members have taken secondary carers leave since the introduction of our Policy). These entitlements are available for birth (including stillbirth) and adoption for eligible team members. Our policy now also includes the payment of superannuation contributions for 18 weeks (based on the national minimum wage) whilst team members are in receipt of the Commonwealth Government's Paid Parental Leave Scheme. As part of the launch of the updated policy, a support handbook was produced to assist team members with understanding the changes as well as providing information on how to access childcare.

## People development, recognition and retention

Over the years, we have built an inclusive and collaborative work culture that values each team member's contribution and that strives for excellence. We have provided a number of development opportunities for our people this year including:

- Continued 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 including: significant training to support the rollout of our new Enterprise Resource Planning (ERP) system, along with sales training for our Retail Pharmacy Team and others.
- Launch of 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.

During the year we launched our Talent Management Tool which is designed to support succession planning, coverage for critical roles, higher levels of retention and engagement and improved business performance. The tool will also assist in identifying development needs and leadership training.



To strengthen the professional growth of our team members, we initiated the formal inclusion of mid-year performance reviews in addition to the annual performance reviews already in place. The overall process now is facilitated by an open two-way dialogue between the team members and their manager, and includes measurable goal setting,

mid-year review and year-end review. Periodic check-ins and regular feedback complement the process while providing opportunity for any necessary updates to the employee-specific performance management plan.

We believe that team member recognition and reinforcement of positive feedback are key drivers for engagement and alignment of Company's values with individual goals. Our Shine Awards are our annual recognition program which allows team members to nominate peers who they believe have demonstrated company values within their role. Over the reporting period, we received a total number of 152 Shine Award nominations for our team members

Last year we updated our Service Recognition Policy that extends our recognition of service program across all Sigma entities, consolidating subsidiary recognition schemes into one policy. The Service Recognition Policy seeks to recognise and reward team members for their tenure and commitment to Sigma. This year 130 team members received a Service Recognition Award.

## Employee engagement

We work towards building a strong relationship with our team members based on mutual trust. Regular team members surveys serve as an indicator of the level of engagement of our team and provide feedback on a range of topics related to the workplace such as leadership, management, collaboration, connection, learning and development, and others. We conduct employee engagement surveys on a biannual basis with smaller pulse surveys done in alternate years. Our engagement survey results provide us with reassurance of our efforts and insights on those areas that require further improvement.

This year, 75% of our team members participated in the June 2021 engagement survey with an increase of 12% in our participation rate as compared to our last survey conducted in 2019/20. We achieved an overall engagement score of 51%, representing a 6% increase as compared to the previous survey.

## Employee engagement survey results

Survey participation and score	Score	Comparison against last survey
Survey participation (of total employees)	75%	Increased (12%)
Overall engagement score (of participating employees)	51%	Increased (6%)

This year's survey highlighted that our people feel Sigma is performing the strongest in the following, team members:

- understand their role
- feel supported by other team members and their direct manager
- understand how their role contributes to the organisation's vision, and
- are committed to doing quality work.

Areas for improvement included opportunities for team members to grow and develop in their roles, effective collaboration across work areas and providing opportunities for more regular feedback or ideas.

Sigma has a program in place to improve our team member satisfaction based on the results of the engagement survey. The program seeks to analyse the results of the survey to identify areas of improvement and corresponding action planning. During the year Sigma's main focus was to provide team members with development opportunities through the launch of the Talent Management Tool, increasing performance reviews to twice a year and providing training to support the rollout of our new ERP system. Sigma will continue to work on other areas of improvements in the near future as our efforts have been concentrated towards the resolution of the ERP implementation challenges (refer to the 'Customer Experience' section of this report for further details).





Sigma places a high priority on ensuring our assets are well managed and are operated in an energy efficient manner.



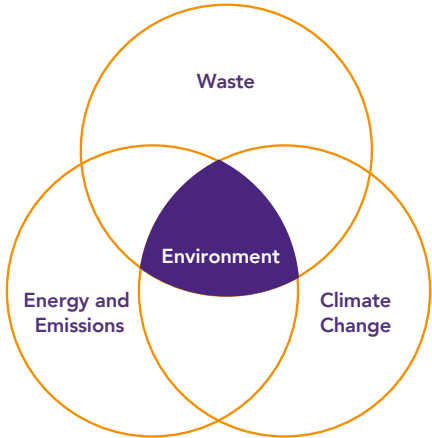


# ENVIRONMENT

**Sigma is committed to carrying out its operations in a sustainable manner:**

- in directing our efforts to avoiding or reducing our environmental footprint;
- in understanding the risks and opportunities arising from pressing environmental issues such as climate change;
- in meeting internal and external obligations; and
- in managing effectively our key issues.

**Our most material environmental issues**



Our Environmental and Sustainability Policy (available on our [website](#)) supports our collaborative, innovative and cost-effective approach towards the management of our most material environmental issues including waste, energy, emissions and climate change.

## Waste management

Sigma delivers healthcare products to pharmacies, aged care facilities and allied health facilities around the country. Managing distribution centres that process products from a diverse supply chain generates a significant amount of waste. Sigma is committed to implementing sustainable practices across our business that result in the diversion of waste from land fill wherever practical, and the minimisation of waste. This includes the implementation of processes across our distribution centres, logistics activities, and administration. We work in partnership with our suppliers and contractors to actively seek opportunities to reduce waste and maximise diversion.

## Australian Packaging Covenant

As a facilitator of packaging and waste generation, we are committed to manage waste responsibly. In line with this commitment, Sigma became a signatory to the Australian Packaging Covenant Organisation (APCO) in 2014. The APCO seeks to reduce the use of new packaging to improve the environmental impact of companies throughout the supply chain. The APCO Packaging Sustainability Framework aims to provide a consistent and transparent framework for assessing and tracking packaging sustainability across organisations. The framework consists of 13 independent criteria, with seven of them as core criteria (C)<sup>2</sup> and six as recommended criteria (R)<sup>3</sup>, that belong to three categories leadership, packaging outcomes and operations. Sigma is committed to addressing the APCO commitments as relevant to our business, reporting annually to the APCO on the progress of our practices and commitments as illustrated in the table below.

In order to enable the continuous improvement of our waste management strategies and our commitment to sustainable operations, Sigma has engaged a third-party to undertake a deep analysis of our current practices against the APCO criteria and best practices to understand gaps and the corresponding actions for improvement. We will be reporting on the insights from the assessment and our action plan to improve on our waste management performance in our future sustainability report.

## Circularity

Sigma continues to adopt a circular approach for the cardboard tote boxes used to deliver products to pharmacies. The boxes are returned to distribution centres for re-use, for at least three times on average, before sending to recycle when re-use is no longer possible. Further, we continue to use paper based and earth friendly alternatives to plastic bubble wrap related to these operations.

## APCO Packaging Sustainability Framework

Area	Type <sup>#</sup>	Description	Level* – CY19**	Level* – CY20**
Leadership	1.1	C	Packaging sustainability strategy	Good progress →
	1.2	C	Closed-loop collaboration	Beyond best practice →
Outcomes	2.1	C	Packaging design and procurement	Getting started →
	2.2	C	Packaging materials efficiency	Getting started →
	2.3	C	Recycled and renewable materials	Getting started →
	2.4	C	Post-consumer recovery	Getting started →
Operations	3.1	C	Business-to-business packaging	Getting started →
	3.2	R	On-site waste diversion	Leading →

↑ Increased → Maintained ↓ Decreased

\*\* Performance results pertain to previous year due to APCO reporting and evaluation cycles. # C = Core, R = Recommended

^ As a result of achieving the highest level possible in the prior year, the level was re-set to getting started pending further evidence of continuous improvement opportunities.

Level 0	Level 1	Level 2	Level 3	Level 4	Level 5
Not yet started	Getting started	Good progress	Advanced	Leading	Beyond best practice

\* Level description

2. Mandatory and must be answered by all APCO signatories with completing APCO Annual Report

3. Not mandatory, but APCO signatories are encouraged to complete as many recommended criteria as possible

## Unwanted Medicines

### The Return Unwanted Medicines Project

Sigma has been participating in the Return Unwanted Medicines (**RUM**) Project for approximately two decades. The RUM Project is a free and safe way for consumers to dispose of unwanted medicines at pharmacies to reduce medicine waste and the potential environmental and social harms.

The accumulation of unwanted medicines at home can result in accidental ingestion and out-of-date medicines can become toxic or ineffective. Disposal of these medicines in household waste means they can end up in landfill or contaminate waterways and affect animal and plant life and potentially human life. The reason for unwanted medicine may include expired medicine, no effect or adverse effect, standard medication pack larger than prescribed amount, amongst others.

Sigma provides reverse logistics services for the RUM Project. We deliver empty sealed bins to the pharmacy with each bin specifically tagged and traced and we collect filled sealed bins from the pharmacy that contains unwanted medicines. These are stored in an isolated section of our distribution centres away from other medicines and are then bundled for collection by the agency that responsibly destroys the medicines.

The collection and disposal of unwanted medicines is an important public health issue and is part of the Australian National Medicines Policy. The RUM Project was funded by the National Return and Disposal of Unwanted Medicines Limited and the Australian Government Department of Health. The RUM Project is a subsidised national scheme that allows unwanted medicines to be collected by any community pharmacy and disposed of by high-temperature incineration.

In 2016 an independent audit assessed the amount and types of medicine returned via the RUM Project at three incineration sites. On average, 13,000 RUM bins per month are collected for incineration which represented more than 700 tonnes of unwanted medicines. Of this waste, around 60% was PBS medicines, 10% OTC medicines, 14% DAA, 11% unscheduled medicine, 4% complementary medicines and 1% other types. The audit, and a survey as part of the audit, also focused on:

- (1) the type of conditions the wasted medicines were directed to treat and
- (2) the level of awareness of the RUM project.

This found that:

- (a) it is the responsibility of all health professionals to encourage consumers to return unwanted medicines to their community pharmacy;
- (b) health professionals and consumers should be more aware of which repeat prescriptions of 'if required' medicines are needed; and
- (c) in making decisions about the quantity of medicine to supply, prescribers need to consider patient access, adherence, and cost

These findings are key educational insights and improvement towards medicine waste avoidance as well as effective and safe medicine waste disposal (when required) through the RUM project.



# ENVIRONMENT CONTINUED

## Waste performance

The table below provides an overview of our waste footprint for the calendar year 2021<sup>4</sup>.

CY 2021			
Waste generation	Tonnes	Contribution	Methodology
Waste diverted from landfill and recovered	2,779	76.5%	Data is based on waste reports provided by waste contractors servicing each site <sup>5</sup> .
Waste to landfill	856	23.5%	
<b>Total waste generated</b>	<b>3,635</b>	<b>100%</b>	

In CY2021, we generated a total amount of 3,635 tonnes of waste within our 10 major properties which are managed by a third-party waste services contractor. Over the reporting period, we achieved around 77% of waste diversion from landfill or recovered which we monitor as a key performance indicator. We aim to further enhance on our waste efficiency and continuously improve our diversion rate by focused efforts and measures to implement more waste recycling/recovery opportunities in the future.

## Energy and emissions management

Sigma places a high priority on ensuring our assets are well managed and are operated in an energy efficient manner. As part of Sigma's commitment to operating sustainably, the Group has undertaken several initiatives:

- Installation of roof-mounted solar power systems (total capacity of 1,500kW across 5 sites)
- Solar hot water systems
- LED lighting with motion detectors
- Timer switches
- Cooling controlled by environmental monitoring system.

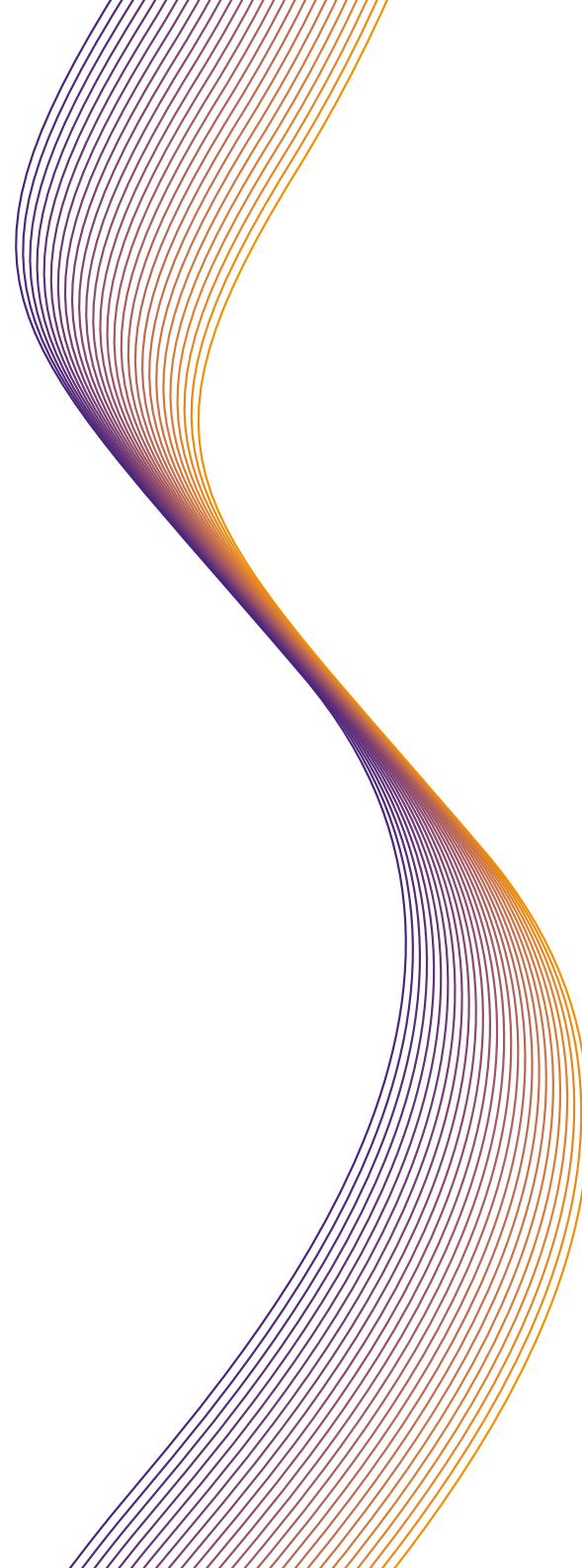
In addition, we take a life cycle approach to invest and retrofit energy efficient solutions in our existing network where it is practical and commercially viable to do so.

### Off-setting our paper consumption

Sigma has partnered with PrintReleaf who offers a patented software platform that empowers businesses to sustain and grow global forestry systems by measuring, offsetting, and verifying the successful reforestation of paper consumption. PrintReleaf has developed a standard methodology, and technology platform that allows us to certifiably reforest our paper consumption. SGS certifies the Global Forestry Partners and leads field audits to verify compliance with the PrintReleaf Standard. As of January 2022, Sigma has offset the equivalent of around 8.7 million pages of paper consumption by reforesting 1,042 standard trees since joining the PrintReleaf Exchange in January 2021. Our certificate is available in the Appendix of this report.

4. 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).

5. Sigma has contractors providing waste reports for our largest 10 site of the 20 sites we occupy. Sigma considers the remaining 10 sites as not material sources of waste generation provided the size and nature of their operations. However, Sigma is implementing a process to improve our waste volume data collection and establish the actual materiality of these sites.



## Energy and emissions performance

The table below provides an overview of our energy and emissions footprint for the calendar year 2021<sup>6</sup>

Energy consumption	CY 2021	Methodology	
<b>Fuel consumption</b>	<b>kWh</b>	<b>Contribution</b>	<b>Notes</b>
Diesel	106,654	0.8%	Data is based on actual diesel purchased for sites requiring diesel refill during the year and using the energy conversion factor from NGER <sup>7</sup>
<b>Electricity consumption</b>	<b>kWh</b>	<b>Contribution</b>	<b>Notes</b>
Non-renewable (Grid electricity)	12,220,816	88.3%	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 <sup>8</sup>
Renewable (Solar electricity)	1,514,299	10.9%	Data is based on performance reports from solar generation monitoring third-party. All solar electricity generated on-site is consumed by Sigma sites <sup>9</sup>
<b>Total electricity consumption</b>	<b>13,735,115</b>	<b>99.2%</b>	
<b>Total energy consumption</b>	<b>13,841,769</b>	<b>100%</b>	
Emissions	CY 2021	Methodology	
<b>Scope 1 emissions</b>	<b>tCO<sub>2</sub>-e</b>	<b>Contribution</b>	<b>Notes</b>
Diesel	27	0.2%	Calculated based on the amount of diesel purchased and applying the energy conversion factor and emission conversion factors from NGER*
Refrigerants	Not available	Not applicable	We have initiated a project to account for all the air conditioning units and refrigerants used in our sites in order to calculate the emissions attributed to their use as part of our operations and report on next year
<b>Total Scope 1 emissions</b>	<b>27</b>	<b>0.2%</b>	
<b>Scope 2 emissions</b>	<b>tCO<sub>2</sub>-e</b>	<b>Contribution</b>	
Electricity	11,112	99.8%	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*
<b>Total Scope 2 emissions</b>	<b>11,112</b>	<b>99.8%</b>	
<b>Total Scope 1 &amp; 2 emissions</b>	<b>11,139</b>	<b>100%</b>	

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) in order 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 20 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 has five sites with solar photovoltaic systems.

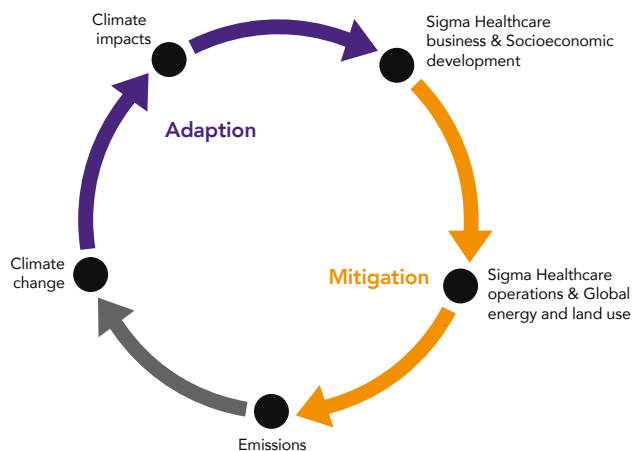
# ENVIRONMENT CONTINUED

This year, we streamlined our systems and expanded on our reporting boundary to incorporate further sources of energy and emissions for a better representation of our operational footprint. We included diesel consumption and solar electricity consumption within our properties.

We also included seven additional sites within our portfolio for which data was not available for the previous reporting period. In addition, we initiated a project to account for all air conditioning units and refrigerants used in our sites in order to calculate the greenhouse gas (GHG) emissions attributed to their use. This will enable us to develop a more accurate emissions baseline, helps us to monitor relevant environmental performance KPIs year on year and set targets to drive our low carbon transition journey going forward.

## Climate change mitigation and adaptation

Climate change is a global challenge, and the ongoing GHG emissions are contributing to dangerous levels of global warming, resulting in an increase in the frequency and intensity of climate-related events around the world.



As noted in our previous section, Sigma has been implementing measures to mitigate or reduce our emissions as part of our commitment to operating sustainably. However, Sigma recognises the complexity of climate change and the need to comprehensively understand the risks and opportunities arising from this issue.

The Taskforce on Climate-related Financial Disclosures (TCFD) has developed a set of recommendations that provide key guidance as a globally recognised framework to assist in identifying and assessing financial climate related risks and opportunities and therefore evaluate a business' climate related resilience. Overall, the TCFD provides a framework consisting of four elements: governance, strategy, risk management and metrics and targets with associated recommendations serving as pillars for robust analysis and disclosure of climate related issues.

Sigma will undertake a stepped approach to implementing the TCFD recommendations. Below is our roadmap detailing our steps to comprehensively understanding the potential impacts of climate change and embedding appropriate management practices in line with the TCFD pillars.

Key steps that Sigma will undertake in 2022, include:

- Analysis of climate-related physical and transitional risks and opportunities in line with the TCFD
- Analysis of requirements to becoming carbon neutral (scope 1 and 2 emissions) with associated baseline, targets and timeframes
- Analysis of Scope 3 emissions associated with our supply chain to understand sources of emissions and their materiality to our value chain

## Roadmap to comprehensive TCFD adoption

	Discovery (2022)	Scenario analysis (2023)	Check and adjust (2024)
Governance	Increase climate-related awareness across key organisational levels.	Incorporate climate-related issues into relevant governance and management bodies.	On-going review and approval of climate-related issues by appropriate governance and management bodies.
Strategy	Identify exposure, management strategies and high-level financial impact of material risks and opportunities.	Explore qualitative and quantitative scenarios to update issues, management strategies and financial impacts.	Integrate climate-related scenario analysis into our strategic and financial planning.
Risk Management	Incorporate climate-related risk into our Risk Management Framework.	Embed climate-related risks into our Risk Management Framework.	On-going monitoring and risk management of climate-related issues.
Metrics and targets	Determine metrics associated with climate-related risks and opportunities.	Analyse metrics trends to develop targets, assess our strategic position and their financial impact.	On-going analysis of metrics and targets performance to assess our strategic position and their financial impact.
Disclosure	Disclose identified risks and opportunities with associated governance and risk management arrangements the following year.	Disclose of our scenarios, assumptions, time frames and associated governance, risk management, metrics and targets the following year.	On-going comprehensive disclosure against all pillars.









Our connections extend to every corner of Australia and help us facilitate thousands of transactions each day, creating value for communities across the country.





## OUR SOCIETY

**As a major community-focused provider of essential products and services to Australians, we recognise our obligation to be responsible and sustainable in every part of our business and we are working hard to achieve the continuous improvement required.**

We view our commitment to our communities in a multi-faceted way, ranging from the impact we have on our customers including pharmacies, through to our team members, suppliers and community groups we interact with. Our commitment is shown in:

- our dedicated efforts to provide all our customers with a full range of prescription medicines, commercial medicines and consumer products in a timely manner;
- our network of community pharmacies, both our own franchisees and those we partner with, to ensure access to essential healthcare products for everyone;
- our investment in team member and customer safety in order to provide safe workplaces and shopping environments, backed up by work health & safety policies, detailed procedures, training, monitoring and Board and management oversight;
- our diversity and inclusion strategy that ensures our workforce reflects the communities we serve and provides an inclusive environment for our people;
- the steps we take to manage our supply chain to protect the human rights of supplier employees and address the risks of modern slavery; and
- the contributions we make to our local communities and community groups, both by Sigma itself and also by our subsidiary pharmacy brands which support causes important to their specific communities.

### Supply chain and modern slavery

Sigma manages a complex supply chain that enables us to supply around 16,000 PBS medicines, over the counter and consumer products to community pharmacies, hospital pharmacies and aged care and allied health facilities. Our connections extend to every corner of Australia and help us facilitate thousands of transactions each day, creating value for communities across the country.

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 entirely 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 SOCIETY CONTINUED

Our Modern Slavery policy 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.



Zero discrimination, harassment, or any other inappropriate workplace behaviour.



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



Freely chosen employment, with no forced or bonded labour.



Equal employment opportunities based on ability, performance and potential.



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.



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).



Freedom of association and the provision of grievance mechanisms for workers to access.



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

## Supporting community

Sigma Healthcare supports one of the largest pharmacy networks in Australia, with over 1,200 aligned pharmacies, including around 530 branded pharmacies operating the Amcal+, Guardian, PharmaSave, WholeLife and Discount Drug Stores brands, accounting for almost 17% of consumer pharmacy spend across Australia.

### Community initiatives in FY22

#### The Summer Foundation

For over 10 years, Sigma has been a proud supporter of the Summer Foundation, a charity passionate about preventing young people with disability from being forced into residential aged care, by helping them access the support they need to decide where, how and with whom they live. Supporting, informing and empowering people with disability and their families is critical to resolving the problem of young people living in aged care facilities. The Summer Foundation focuses on supporting the disability,

health and aged care systems to work more effectively with young people in nursing homes by:

- driving best practice government policy and collaborating with government to achieve positive change;
- undertaking academic and applied research to ensure strong evidence base for possible solutions;
- prototyping effective housing alternatives for younger people with disability;
- supporting and informing people with disability and their families about their housing options;
- developing practice guides, training materials and new models for government and non-government organisations to resolve this issue together; and
- supporting people with disability and their families to share their stories.

As part of our ongoing support, Sigma Healthcare has made a donation of \$35,000 in FY22 to the Summer Foundation to help continue their work in this important area.

## Measuring our success

### Community investment

**\$70,000**

### Average delivery time

**< 24 HOURS**

### Number of distribution centres

**9**

### Medication management best in market accuracy rate\*

**99.99%**

\* Source: Internal Quality System Reports

## OUR SOCIETY CONTINUED

### Assistance Dogs Australia

Over the past ten years, Discount Drug Stores has raised more than \$300,000 for Assistance Dogs Australia through grassroots fundraising activities across 120+ stores nationwide.

Discount Drug Stores has continued its long-term partnership with Assistance Dogs Australia, announcing the sponsorship of its 12th dog for the charity. To celebrate the sponsorship, Discount Drug Stores invited the community to name the new puppy via an online naming competition. Tango was chosen out of 930+ entries as the most fitting name for the black Labrador that will go on to provide support for a family or individual living with physical disabilities, autism spectrum disorders or post-traumatic stress.



Since 2012, Discount Drug Stores has raised more than \$300,000 for Assistance Dogs Australia through grassroots fundraising activities across 120+ stores nationwide.

“The funding we receive from Discount Drug Stores not only gets us closer to providing independence, self-esteem and improved health and relationships to individuals and families but contributes to building stronger communities as a result.”

- Richard Lord (CEO, Assistance Dogs Australia)

### Supporting First Nations Australians

In line with our strategic focus to support First Nations Australians, we partnered with Supply Nation to help close the gap for Australia's indigenous people by extending an opportunity for an indigenous business to provide maintenance services across our business.

Sigma is also a proud contributor to Dreaming Futures – a national not-for-profit organisation supporting Aboriginal and Torres Strait Islander children and young people in Out of Home Care to strengthen their educational outcomes and employment pathways. By partnering with the community to address this problem, Dreaming Futures also works to help Indigenous children experience Country, Culture and Connection. Sigma's partnership and donation of \$10,000 will help to increase the scope and reach of Dreaming Futures' meaningful work.



## Customer experience

We are committed to understanding our customers' changing needs, which we do through our regular Voice of Customer engagement program to measure success, identify concerns, and plan actions as part of our customer experience strategy.

## Voice of Customer

Our Voice of Customer (VOC) program is an enterprise-wide engagement, which is focused on annual relationship health surveys covering business owners of key entities we interact with across our supply chain, including our subsidiary businesses. The surveys are designed and tailored to understand the strength of relationships and gauge the value add that is delivered from the customer's perspective. We also conduct transactional surveys with customers which are triggered by specific touch points including sales visits, order entry and web shopping.

Our VOC program surveys provide key insights and opportunities for improvement that feed into our customer experience strategy, which is founded on the following focus areas:

- Enable growth through improved customer loyalty
- Reduce customer effort to maximise customer success
- Embed customer experience in company culture
- Create a more comprehensive view of the customer and what they value

Voice of Customer Surveys are Transactional – triggered by specific customer interactions



### Sales Survey

Triggered by a field visit



### Customer Service Survey

Triggered by a phone call



### Order Fulfillment Survey

Triggered by an invoice dispatch



### New Account Setup

Triggered by a new account setup

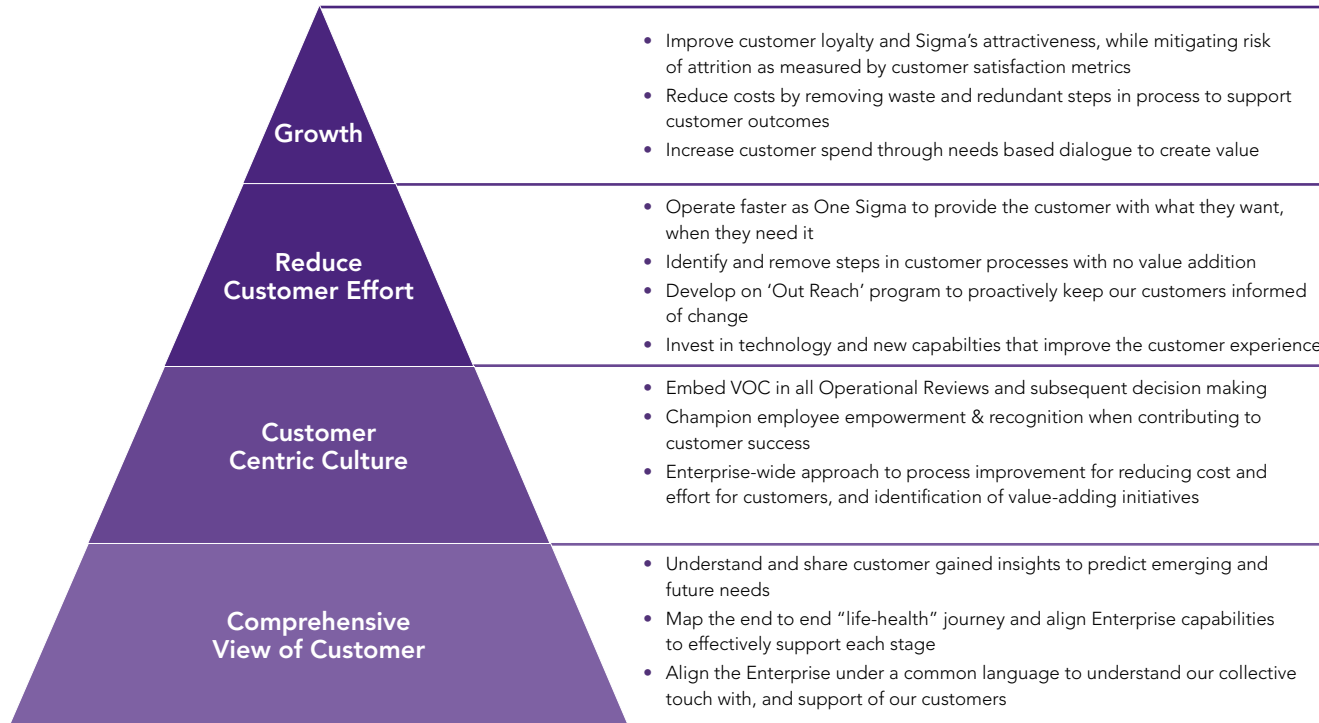


### Web Shop / Sigma Connect

Triggered by an online transaction

# OUR SOCIETY CONTINUED

We are working on a range of customer experience initiatives that drive our strategy forward and aim to enhance Sigma's delivery of value to our customers. Below is an illustration of our key customer experience initiatives which are underway.



Specifically on the initiative to embed customer-centric experience within the company culture, we worked on a range of aspects identified under the six key areas captured in the exhibit below.



## Enterprise Resource Planning

In August 2021, Sigma transitioned to a new ERP system with the aim to enhance the experience for our customers. However, Sigma encountered challenges during the ERP transition that led to service issues for our customers from the start of the implementation. Sigma acknowledges that this hindered our ability to provide great customer service and our reliability to deliver on time and in full. As a result, our executive management charged our team to resolve this as a top priority. Currently, the systems disruptions have been minimised significantly as advance from the stabilisation phase to the optimisation phase, which is planned to be progressively completed over this calendar year. Our CEO highlighted the importance of this matter in an open letter to our customers in February 2022 with Sigma's urgent focus and resources put towards its resolution in returning to the quality of service that characterises us and the trust and confidence of our customers.






Prescriptions

PETER HICKMAN  
Pharmacist

CK TAPE  
Go stronger, longer



A photograph of two women sitting at a desk, looking at a laptop. The woman on the left has dark, curly hair and is wearing a white sleeveless top with black trim. The woman on the right has long brown hair and is wearing a colorful floral patterned top. They are both smiling and appear to be in a collaborative work environment. The background is a blurred office space with blue and purple accents.

Sigma is committed to an ethical and transparent approach to business, and we realise that running an ethical business goes well beyond managing the behaviour of team members.

# CORPORATE GOVERNANCE

Sigma Healthcare has put in place a detailed governance framework to help us manage our material risks, including operational, financial and ESG risks. Under the regulatory framework within which we operate as a listed company, which includes the ASX Corporate Governance Principles and the ASX Listing Rules, we are required to address these risks and report annually on our progress.

This section of the report covers only those areas of governance that represent the biggest sustainability risks to the company. Sigma reports against the ASX Corporate Governance Principles and Recommendations (4th edition) in the Corporate Governance Statement (available in our [website](#)), which contains a more comprehensive description of our Board structure and functions, corporate governance policies and our risk management framework. Please refer to the Corporate Governance Statement for a complete overview of how we manage our business.

## Sustainability

In FY23, Sigma will establish an 'ESG Steering Committee' to drive and give oversight to our ESG focus areas in line with our Sustainability Framework and 'Our Plan to 2030'. The ESG Steering Committee will meet to discuss needs and actions and to assist in driving outcomes with our CEO participating as required basis to provide support. The committee will report to the Board on Sigma's ESG progress on a periodic basis.

## Business ethics

Sigma is committed to an ethical and transparent approach to business, and we understand that running an ethical business goes well beyond managing the behaviour of team members. It extends to understanding where our ethical risks lie and ensuring we:

- have best practice governance frameworks, systems and processes in place;

- have a comprehensive suite of policies for managing ethical issues to ensure we comply with all relevant laws and regulations; and
- address individual risk areas such as treatment of employees, health and safety, discrimination, diversity, environmental and social compliance and maintaining an ethical supply chain.

Our approach is underpinned by Sigma's Code of Conduct and core 'ARCHI' behaviours, by which our teams operate and are measured:

- Accountable
- Respectful
- Collaborative
- Honest
- Innovative.

The Code of Conduct outlines the principles and behaviours required of Sigma team members to maintain and achieve our high ethical standards as well as the consequences for breaches. The key principles of the Code of Conduct include honest and ethical behaviour, respect for people and property, and legal compliance at all times.

## Privacy

The Sigma Privacy Policy has been developed in accordance with the Australian Privacy Principles (APPs) and the *Privacy Act 1988* (Cth). Our [Privacy Policy](#) (available on our website) sets out how we protect the personal information that we collect, access, store and use in the course of operating our business in relation to our suppliers, customers, loyalty program members and patients.

## Anti-bribery and corruption

Sigma is committed to building long-term relationships that reward partners, benefit consumers and support communities, so it is imperative that team members act with complete integrity to develop and maintain trust, open communication and mutual accountability between Sigma and its partners.



# CORPORATE GOVERNANCE CONTINUED

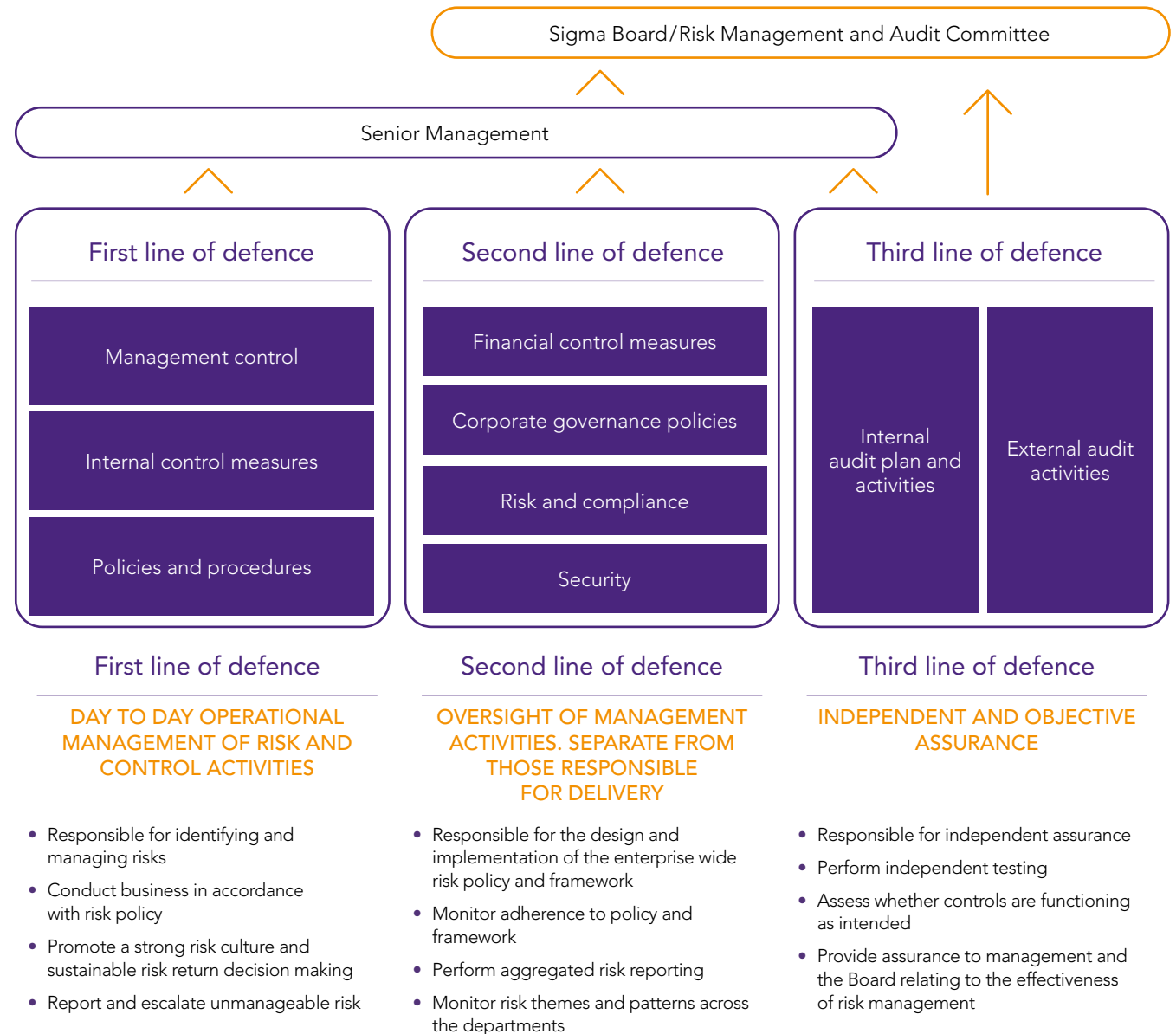
Unethical and illegal behaviour can destroy the trust of key stakeholders and impact the company with reputational and financial damage. In 2020 we reviewed our approach to managing bribery, corruption and insider trading to determine whether processes were in place to ensure all team members and partners of Sigma obey the law and do not expose Sigma to regulatory or reputational risks. This review resulted in the release of the Anti-Bribery and Corruption Policy (available in our [website](#)), which sets out Sigma's 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.

## Share trading policy

Sigma's Share Trading Policy was reviewed and strengthened during the reporting year and supported by compulsory education and training for team members. The Share Trading Policy (available on our [website](#)) outlines the process any team member or 'Specified Persons' must take when dealing in Sigma shares, so that they comply with legal and regulatory requirements, that Sigma can maintain market confidence in the integrity and dealings in Sigma shares, and that Sigma protects shareholder interests.

## Whistleblower policy

Another key part of our ethical business framework is our Whistleblower Policy (available on our [website](#)), which outlines how team members can report, confidentially, on observed or suspected reportable conduct and sets out the protections available to whistleblowers while investigations into their complaint are carried out. The Policy sets out that all team members must report any suspected illegal or unethical behaviour, and provides specific protections against harassment, vilification or employment consequences to anyone who makes a report. All incidents are investigated fairly and the Risk Management and Audit Committee (RMAC) or the Sigma Board are informed of all material incidents reported under this policy.





## Risk management

Sigma recognises that risk management is an essential element of good corporate governance and fundamental in achieving its 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. To this end, Sigma is committed to the ongoing development of a strategic and consistent enterprise-wide risk management program, to ensure the significant risks we face 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 31000:2018 Risk management – Guidelines. The structure of Sigma's risk management model (refer to page 42) illustrates that risk management is supported at all organisational levels and based off a "three lines of defence" approach.

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

- The Risk Management Policy approved by the Board, which clearly 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 RMAC.

- The RMAC is responsible for oversight and management of Sigma's risk management program.
- The Board has charged the Executive team with the responsibility for managing risk across the Group under the direction of the CEO and Senior Executives.

## Key risks and opportunities

At Sigma Healthcare, 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. Sigma continues 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 – OUR PLAN TO 2030

Goal	What we achieved	What we are working on	Next steps
Environment – Reduce our impact on the environment			
<b>Increase the environmental efficiency of our portfolio of distribution centres</b>	<ul style="list-style-type: none"> <li>• Implementation of 1,500 kW solar systems</li> <li>• Other features that have been implemented on site include LED lighting, timer switches and solar hot water, each enhancing the operational efficiency of our assets.</li> </ul>	<ul style="list-style-type: none"> <li>• Consolidating our sites so we have fewer sites as we exit out of energy inefficient sites.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue with installation of solar systems within our portfolio</li> <li>• Internal/external audits to identify and implement energy efficiency measures in our distribution centres.</li> </ul>
<b>Reduce our operational waste and meet the requirements of the APC</b>	<ul style="list-style-type: none"> <li>• Became a signatory to the APC in 2014.</li> <li>• Annual disclosure against eight key criteria under APC commitment, including packaging collaboration and strategy, procurement and waste diversion.</li> </ul>	<ul style="list-style-type: none"> <li>• Deep analysis of our current practices against the APC criteria and best practices to understand gaps and the corresponding actions for improvement</li> </ul>	<ul style="list-style-type: none"> <li>• Implement improvement action plans resulting from the deep analysis of our practices against the APC criteria</li> </ul>
<b>Investigate opportunities to divert solid waste generated at facilities (factories, warehouses, offices and retail stores)</b>	<ul style="list-style-type: none"> <li>• Re-use or recycling of cardboard tote boxes used to deliver products to pharmacies and use of paper based and earth friendly alternatives to plastic bubble wrap related to these operations.</li> <li>• Participating in the RUM project for around two decades</li> </ul>		<ul style="list-style-type: none"> <li>• Identify and implement more waste diversion, recycling or recovery opportunities based on the circular economy approach</li> </ul>
<b>Respond to the TCFD and quantify our exposure to climate change</b>	<ul style="list-style-type: none"> <li>• Reporting on our scope 1 and scope 2 emissions.</li> <li>• Roadmap to comprehensive TCFD adoption</li> <li>• Offsetting our paper consumption by certifiable reforestation.</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of climate-related physical and transitional risks and opportunities in line with the TCFD</li> <li>• Analysis of requirements to becoming carbon neutral (scope 1 and 2 emissions) with associated baseline, targets and timeframes</li> <li>• Analysis of Scope 3 emissions associated to our supply chain to understand sources of emissions and their materiality to our value chain</li> </ul>	<ul style="list-style-type: none"> <li>• Report comprehensively against the TCFD framework</li> </ul>

Goal	What we achieved	What we are working on	Next steps
Social – Invest in the health and wellbeing of our team and the communities we serve			
<b>Launch a diversity and inclusion strategy that ensures our workforce reflects the communities we serve and provides an inclusive environment for our people</b>	<ul style="list-style-type: none"> <li>• Diversity Policy in place</li> <li>• Ongoing gender pay gap analysis as part of remuneration review process</li> <li>• Annual WGEA reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Current diversity targets in place which are focussed on achieving a diverse and inclusive workforce.</li> </ul>	<ul style="list-style-type: none"> <li>• Expand the focus of our diversity aspects beyond gender to minority groups</li> </ul>
<b>Develop a strategy to support the inclusion of first nations Australians across our value chain</b>	<ul style="list-style-type: none"> <li>• Membership to Supply Nation</li> </ul>	<ul style="list-style-type: none"> <li>• Working with Supply Nation to provide support to indigenous people and engage them for maintenance service requirements across our business.</li> <li>• Made donations to Dreaming future to help fund programs for indigenous children in out of home care.</li> </ul>	<ul style="list-style-type: none"> <li>• Develop a formal strategy on the inclusion of first nations people</li> </ul>
<b>Launch community programs that are meaningful to our customers</b>	<ul style="list-style-type: none"> <li>• Supporter of the Summer Foundation for over 10 years</li> <li>• Over the past twelve years, Discount Drug Stores has raised more than \$300,000 for Assistance Dogs Australia</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing community investments in relevant community programs</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to identify and launch meaningful community programs</li> </ul>
<b>Invest in the health and wellbeing of our people</b>	<ul style="list-style-type: none"> <li>• WHS Management System in place</li> <li>• Multiple programs in place directed at improving the health and wellbeing of our employees</li> </ul>	<ul style="list-style-type: none"> <li>• Commence reporting of leading WHS indicators used to improve safety at our sites</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance our reporting of leading WHS indicators from a quantitative perspective</li> </ul>
<b>Support equitable access to available medicines for all Australian communities</b>	<ul style="list-style-type: none"> <li>• Provide access to the full range of PBS medicines, via community pharmacies and hospital pharmacies</li> </ul>	<ul style="list-style-type: none"> <li>• Stabilising our ERP system to ensure timely deliveries in line with our commitment and logistical requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to support our customers/communities with consistent and best practice service offering</li> </ul>
<b>Operate a responsible and ethical supply chain that mitigates the risk of modern slavery</b>	<ul style="list-style-type: none"> <li>• Modern Slavery Policy in place</li> <li>• Reporting on how we manage modern slavery risks within our business and across our supply chain via our modern slavery statement</li> </ul>	<ul style="list-style-type: none"> <li>• Gather further information from our key suppliers to understand and assess our modern slavery risk</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing assessment of supplier performance against modern slavery risks</li> </ul>



## APPENDIX – OUR PLAN TO 2030 CONTINUED

Goal	What we achieved	What we are working on	Next steps
Governance – Operate our business in an ethical way and transparently report on our operations and decision-making process			
<b>Ensure we are a responsible stewards of stakeholder data and privacy</b>	<ul style="list-style-type: none"> <li>• Sigma Privacy Policy in place</li> </ul>	<ul style="list-style-type: none"> <li>• Managing and reinforcing Privacy Policy obligations and implementing structural improvements.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue with our commitment to ensuring the confidentiality and security of individuals' personal information.</li> </ul>
<b>Report transparently to the market on financial and non-financial performance</b>	<ul style="list-style-type: none"> <li>• Publishing our financial and non-financial performance (annual report, sustainability report, ASX announcements, investor centre releases on our website)</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing efforts for the running reporting cycle</li> </ul>	<ul style="list-style-type: none"> <li>• Continue with and identify opportunities to enhance our transparent communications to our stakeholders</li> </ul>
<b>Engage with the industry and government to ensure a transition to a sustainable future</b>	<ul style="list-style-type: none"> <li>• Active membership of relevant industry bodies, including NPSA, AIG, NEHTA, CILTA and AIRA</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing engagement under our active memberships to ensure we maintain a strong voice and presence in the industry</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to actively engage with Government agencies and representative bodies to ensure we maintain a strong voice and presence in the industry</li> </ul>

# APPENDIX – OUR PRINTRELEAF CERTIFICATION



## 2021 Annual Certificate

PRINTRELEAF HEREBY CERTIFIES THAT

# Sigma Healthcare

offset the equivalent of 8,683,376 total standard pages of paper consumption by reforesting 1,042 standard trees on the PrintReleaf Exchange during the year 2021.

ACCOUNT ID **ACT\_BE6D94AD146D**

CERTIFICATE YEAR **2021**

STANDARD PAGES **8,683,376**

STANDARD TREES **1,042**



**You Printed. We Planted.**

SGS International, the world's leading inspection, verification, testing and certification company, certifies our Global Forestry Partners and leads field audits to verify compliance with the PrintReleaf Standard.

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Software built in Denver, Colorado. Trees planted around the world.

# APPENDIX – GRI CONTENT INDEX

Sigma referred to the Global Reporting Initiative (**GRI**) Standards to determine the 2022 Sustainability Reporting boundaries and for guidance on identifying and reporting its material issues, management approaches and reporting key performance indicators across key stakeholder groups.

Below is a guide to Sigma's reporting metrics in reference to the GRI Standards – Core option.

Number	Disclosure	Reference	Remarks/ Omissions
<b>GRI 102: General Disclosures</b>			
102-1	Name of the organisation	About Sigma Healthcare (page 6)	
102-2	Activities, brands, products, and services	About Sigma Healthcare (page 8–9)	
102-3	Location of headquarters	About Sigma Healthcare (page 7)	
102-4	Location of operations	About Sigma Healthcare (page 7)	
102-5	Ownership and legal form	About Sigma Healthcare (page 6)	
102-6	Markets served	About Sigma Healthcare (page 7–9)	
102-7	Scale of the organisation	About Sigma Healthcare (page 7–9) Our people (page 22)	
102-8	Information on employees and other workers	Our people (page 22)	
102-9	Supply chain	Our society (page 33)	
102-10	Significant changes to the organisation regarding size, structure, ownership and its supply chain	About Sigma Healthcare (page 7–9)	There were no significant changes to the organisation and its supply chain in FY22.
102-11	Precautionary principle or approach	Risk management (page 43)	
102-12	External developed economic, environmental and social charters	Risk management (page 43) About this report (page 1) Stakeholder engagement (page 15–16)	
102-13	Membership of associations (industry) and national or international advocacy – hold position on governance body; provide funding or views membership as strategic	Stakeholder engagement (page 14–15)	
102-14	Statement from senior decision-maker	Message from our CEO (page 2–3)	
102-16	Values, principles, standards, and norms of behaviour	About Sigma Healthcare (page 6) Corporate governance (page 41–42)	
102-18	Governance structure	Corporate governance (page 41–42)	
102-40	List of stakeholder groups	Stakeholder engagement (page 14–15)	
102-41	Collective bargaining agreements	N/A	Zero employees on collective bargaining agreements.
102-42	Identifying and selecting stakeholders	Stakeholder engagement (page 14–15)	
102-43	Approach to stakeholder engagement	Stakeholder engagement (page 14–15)	
102-44	Key topics and concerns raised	Stakeholder engagement (page 14–15)	
102-45	Entities included in the consolidated financial statements	Sigma FY22 Annual Report	
102-46	Defining report content and topic Boundaries	About this report (page 1)	
102-47	List of material topics	Our material topics (page 11)	



Number	Disclosure	Reference	Remarks/ Omissions
102-48	Restatements of information	Environment (page 26)	Incorrect information noted in our last year's report, we noted "2 Years as signatory to the Australian Packaging Covenant"; however, Sigma became a signatory to APCO in 2014 as stated in reference on the left.
102-49	Changes in reporting	N/A	No significant changes in reporting
102-50	Reporting period	About this report (page 1)	
102-51	Date of most recent report	About this report (page 1)	
102-52	Reporting cycle	About this report (page 1)	
102-53	Contact point for questions regarding the report	About this report (page 1)	
102-54	Claims of reporting	About this report (page 1)	
102-55	GRI content index	GRI content index (page 48–50)	
102-56	External assurance	N/A	External assurance has not been sought
<b>Topic-specific disclosures</b>			
Management approach			
103-1	Explanation of the material topic and its boundary	Our people (page 17), Environment (page 25), Our Society (33), Corporate Governance (page 41)	
103-2	The management approach and its components		
<b>Environment</b>			
Energy			
302-1	Energy consumption within the organisation	Environment (page 29)	
Emissions			
305-1	Direct (Scope 1) GHG emissions	Environment (page 29)	
305-2	Energy indirect (Scope 2) GHG emissions	Environment (page 29)	
305-3	Other indirect (Scope 3) GHG emissions	N/A	Sigma will perform an analysis of Scope 3 emissions associated with our supply chain to understand sources of emissions, their materiality to our value chain and report accordingly in the coming years.
Effluents and waste			
306-2	Waste by type and disposal method	Waste management (page 28)	
306-3	Waste generated	Waste management (page 28)	
306-4	Waste diverted from disposal	Waste management (page 28)	
Environmental compliance			
307-1	Non-compliance with environmental laws and regulations	N/A	Not applicable, Sigma has not identified any non-compliance with environmental laws and/or regulations

## APPENDIX: GRI CONTENT INDEX CONTINUED

Number	Disclosure	Reference	Remarks/ Omissions
<b>Social</b>			
<b>Employment</b>			
<b>401-2</b>	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our people (page 22–23)	
<b>401-3</b>	Parental leave	Our people (page 23)	
<b>Occupational health and safety</b>			
<b>403-1</b>	Occupational health and safety management system	Employee health, safety and wellbeing (page 19–20)	
<b>403-2</b>	Types of injury and rates of injury, occupational diseases	Employee health, safety and wellbeing (page 19–20)	
<b>403-4</b>	Worker participation, consultation, and communication on occupational health and safety	Employee health, safety and wellbeing (page 19–20)	
<b>403-5</b>	Worker training on occupational health and safety	Employee health, safety and wellbeing (page 19–20)	
<b>403-6</b>	Promotion of worker health	Employee health, safety and wellbeing (page 19–20)	
<b>403-9</b>	Work-related injuries	Employee health, safety and wellbeing (page 19–20)	
<b>Training and education</b>			
<b>404-2</b>	Programs for upgrading employee skills and employee transition programs	People development, recognition and retention (page 23)	
<b>404-3</b>	Percentage of employees receiving regular performance and career development reviews	People development, recognition and retention (page 23)	
<b>Diversity and equal opportunity</b>			
<b>405-1</b>	Diversity of governance bodies and employees	Diversity (page 18–19)	
<b>Local Communities</b>			
<b>413-1</b>	Operations with local community engagement, impact assessments, and development programs	Our Society (33)	
<b>Socioeconomic Compliance</b>			
<b>419-1</b>	Non-compliance with laws and regulations in the social and economic area	N/A	Not applicable, Sigma has not identified any non-compliance with laws and regulations in the social and economic areas







## Sigma Healthcare Limited

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[www.sigmahealthcare.com.au](http://www.sigmahealthcare.com.au)

\* From 1 June 2022 Sigma Healthcare's new registered address and Business Support Centre is:

Level 4-6 M-City Office Building  
and Business District  
2107-2125 Dandenong Road  
Clayton VIC 3168

