

Environmental Management and Sustainability Policy

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Policy Version Register

Version	Modified by	Description of changes	Authorised by	Effective date
1.0	Corporate Affairs Manager	Original Policy	Board of Directors	16 August 2019

1. Purpose

Sigma is committed to ensuring that we meet our legislative and regulatory obligations, and continue to operate in a responsible and sustainable manner by:

- ❖ Identifying and effectively managing and mitigating environmental risks from all work practices;
- ❖ Entrenching sustainable packaging as a priority for Sigma, including committing to using the Covenant Sustainable Packaging Guidelines;
- ❖ Cultivating an employee culture committed to achieving our objectives under this policy; and
- ❖ Implementing strategies and a reporting framework to give effect to our objectives stated under this policy.

We recognise the vital role sustainable practices play in investment and business decisions. We will continue to behave ethically and with integrity and employ socially acceptable and cost-effective strategies to mitigate threats to the environment, our people, customers, suppliers, partners, government, investors and the general public.

2. Scope

This is a group-wide policy and applies to Sigma's obligations as required by legislation, regulation and the Australian Packaging Covenant (APCO). This policy applies to all Sigma Team Members.

3. Policy

3.1 What does this policy cover?

This policy outlines Sigma's environmental and sustainability practices in relation to a range of issues that the Group believes are relevant and important for the Sigma business.

Principles of Sustainable Procurement at Sigma:

- ❖ Sigma will adopt strategies to avoid unnecessary consumption and manage demand (this includes the consumption of energy and water);
- ❖ Sigma will consider the purchase of goods and infrastructure that can be reused, repaired and recycled, and that include recycled content;
- ❖ Sigma will endeavour to minimise the environmental impacts over the life of goods and services purchased by choosing options that have lower adverse impacts associated with any stage of their production, use or disposal;
- ❖ Sigma will endeavour to foster innovation in sustainable products and services, during the design and implementation of associated procurement plans;
- ❖ Sigma is committed to continual improvement in regard to our environmental and sustainability practices; and
- ❖ Sigma will seek to have fair and ethical sourcing practices applied and take steps to ensure that suppliers are complying with socially responsible practices, including legislative obligations to employees.

Supply Chain Management

Sigma adopts the Pharmaceutical Industry Principles for Responsible Supply Chain Management. Under these principles, suppliers shall operate in an environmentally responsible and efficient manner to minimize adverse impacts on the environment. Suppliers are encouraged to conserve natural resources, to avoid the use of hazardous materials where possible and to engage in activities that reuse and recycle.

The environmental elements include:

1. *Environmental Authorizations*: Suppliers shall comply with all applicable environmental regulations. All required environmental permits, licenses, information registrations and restrictions shall be obtained, and their operational and reporting requirements followed.

2. *Waste and Emissions*: Suppliers shall have systems in place to ensure the safe handling, movement, storage, recycling, reuse, or management of waste, air emissions and wastewater discharges. Any waste, wastewater or emissions with the potential to adversely impact human or environmental health shall be appropriately managed, controlled and treated prior to release into the environment.

3. *Spills and Releases*: Suppliers shall have systems in place to prevent and mitigate accidental spills and releases to the environment.

Waste Management and diversion

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.

Energy consumption

Sigma places a high priority on ensuring our assets are well managed and are operated in an energy efficient manner wherever practical to do so. We have embedded a number of energy consumption initiatives through the investment phase in our new distribution centre network, including the installation of roof-mounted solar power systems, LED lighting with motion detectors, and cooling controlled by environmental monitoring system. In addition, we take a life cycle approach to invest and retro-fit energy efficient solutions in our existing network where it is practical and commercially viable to do so.

Water consumption

Sigma recognises the importance of water conservation in maintaining a sustainable environment. Sigma has embedded a number of water conservation initiatives in the design and construction phase for our new distribution centre network, including rain water capture, utilisation of rain water in amenities and landscaping, installation of water efficient fixtures and drought tolerant landscaping that is native to the local environment.

Climate Change

Sigma understands the increasing pressure placed on the environment from climate change and changing weather patterns. Our aim is to monitor and seek commercially and environmentally sensible options to minimise our contribution to climate change. We will monitor the risk of climate change on our properties and our operations and will take sensible and prudent steps to mitigate any impacts.

Carbon Emissions

Sigma continues to monitor and implement initiatives to help reduce our carbon emissions. Our distribution centres are built and maintained with energy minimisation as an important element of the design. As a distributor, route management is optimised using available technology to cluster delivery runs to minimise the number and frequency of vehicle deliveries and therefore reduce the carbon emissions from our fleet service provider.

3.2 Associated Documentation

The following documentation supports implementation of this policy:

- ❖ SG-FIN-OP-1C1 Procurement Policy
- ❖ LOG-SOP-NAT-066_2 Product Recall Procedure
- ❖ SPC-SOP-NAT-001 Non-Sigma branded and Non-Private label product recall procedure
- ❖ MAM-SOP-NAT-001 Sigma branded and Private label product recall procedure
- ❖ LOG-SOP-NAT-015 Waste Management Procedure
- ❖ MAM-POL-001 Private Label Packaging Policy
- ❖ [APCO Sustainable Packaging Guidelines](#)

3.3 Breach of this policy

Breach of this policy must be reported to the Group Risk and Compliance team immediately. As is the case with all of Sigma’s Policies, failure to comply with this Policy may result in disciplinary action, leading up to and including, termination of employment.

3.4 Policy Review

This policy shall be reviewed every two years, or earlier if required by a change of circumstances. Changes to this policy require Group Risk and Compliance approval.

4. Disclaimer

This Policy sets out Sigma’s general approach to the matters it covers but is not intended to bind Sigma. Accordingly, this Policy acknowledges that Sigma may, at its absolute discretion, amend, vary or terminate the Policy at any time and in any individual case, may depart from the Policy wholly or in part.

5. Roles and Responsibilities

Role	Responsibility
Sigma Board of Directors	Overall Corporate Governance responsibility for Sigma’s performance, including compliance with the TGA and the <i>Uniform Recall Procedure for Therapeutic Goods</i> , and APCO requirements.
Group Risk and Compliance	Overview of the policy to ensure that the obligations outlined are met; Review and ensure associated procedures to implement this policy are adhered to.
Procurement	Monitor procurement strategies and practices and ensure proper consideration is given to meeting relevant legislative requirements and the expectations outlined in this policy. Seek and promote opportunities to positively impact Sigma’s sustainability performance whenever sourcing arrangements are being made or changed. <i>Policy Owner for: Sustainable Procurement and Supply Chain Management policies.</i>
National Logistics	Monitor logistics strategies and practices to ensure compliance with our obligations, and to seek opportunities to positively impact Sigmas sustainability performance.
Legal and Company Secretary	Provide governance oversight.



Role	Responsibility
Corporate Affairs	Prepare any release(s) for the Australian Stock Exchange, where required. Prepare and manage all corporate communications when required. Manage all requests from the media. (Contact must be directed to the Corporate Communications Manager.)
Distribution Centre Management	Implement sustainability initiatives in accordance with these policies.
National Security and Facilities	Monitor and report on energy consumption and sustainability initiatives. Actively seek opportunities to positively impact Sigma's sustainability performance. <i>Policy Owner for: Waste Management and Diversion, Medicine safety, energy consumption, water consumption, climate change and carbon emissions policies.</i>

6. Glossary of Terms

Term	Definition
CoGWP	Code of Good Wholesaling Practice
APCO	Australian Packaging Covenant Organisation
CSO	Community Service Obligation
TGA	Therapeutic Goods Administration
Sigma Healthcare	Means all companies within the Sigma Healthcare Group including Sigma Company Limited (Sigma), Central Healthcare Services Pty Ltd (CHS), Allied Master Chemists of Australia Limited (Amcal), Chemist King Pty Ltd (Chemist King), Guardian Pharmacies Australia Pty Ltd (Guardian), Linton Street Pty Ltd (SWAPS), MPS Hold Co. Pty Ltd (MPS), MIA Hold Co. Pty Ltd (MIA) Discount Drug Stores Pty Ltd (DDS) and Pharmasave Australia Pty Ltd (Pharmasave).
Sigma branded products	Includes products labelled as Sigma, Amcal, Guardian and Pharmacy Care