Creating a sustainable future





Message from Group CEO



Welcome to our Sustainability Report for 2023. As we continue the journey towards our vision of creating a sustainable future, I am proud to share the significant achievements made by Metcash over the past year.

The culmination of our expanded Environmental, Social and Governance (ESG) agenda, together with the advancements made in our disclosures, saw Metcash achieve its highest ever result under the Dow Jones Sustainability Index's Corporate Sustainability Assessment (international Food and Staples Retailing). Its assessment placed Metcash in the 87th percentile of the index, which is a substantial increase from the 69th percentile in the prior year.

Pleasingly, we also received a B-rating by the Carbon Disclosure Project, a marked increase from previous years. This recognised our improved actions towards understanding and addressing our climate-related risks and Scope 3 emissions.

Climate change remains a pressing concern and our consistent efforts to mitigate its impacts are evident in our focus on energy efficiency and aligning fully to the Taskforce on Climate-related Financial Disclosures (TCFD). We also remain committed to adopting the International Sustainability Standards Board (ISSB) standards when they become applicable for Metcash, which we anticipate is the 2025 financial year.

Part of our advancements in disclosure includes this year's Sustainability Report being referenced to the Global Reporting Initiative (GRI) and related index, in line with the commitment we made last year.

We remain committed to our 2040 net-zero emissions reduction target for Scope 1 and 2, and this year reduced emissions in line with the trend required to reach our target. We commissioned a 782kwp solar system at our main distribution centre at Huntingwood (NSW) and will transition all our operational control sites to renewable energy by 2025. We have committed these same sites to a waste-to-landfill avoidance target of 80% by 2028, addressing what our stakeholders have indicated is their second-most material issue.

I believe that independent retailers are a national treasure and should be supported to continue to add materially to the Australian economy and society. Championing Successful Independents is our purpose, and our strategy. Their unwavering support for local communities and the vital role they play was evidenced in a recently commissioned economic report on IGA.

It found that IGA supports ~34,000 local organisations with \$194m of financial, time and in-kind support. Since 2010 more than 25,000 donations have been made to local grassroots organisations and national charity partners totalling more than \$37m.

Another significant milestone this year was the establishment of a sustainable finance facility of \$525m, linking finance costs with our sustainability credentials.

Our fight against modern slavery continues to be a priority. We are committed to ensuring that our supply chains are ethical, and we are continuing to work closely with our partners to address any concerns in this area.

The safety, wellbeing and growth of our people remain at the forefront. Our initiatives in Diversity, Equity, and Inclusion and our efforts to foster a safe working environment are reflective of this commitment. Pleasingly, we received our fifth consecutive citation as an employer of choice by the Gender Equality Agency Employer of Choice for Gender and we have achieved our 40/40/20 target at the Board and Group Leadership levels. We also saw a 34% improvement in our key safety measure of Total Recordable Frequency Rate.

Going forward, our determination to play a pivotal role in creating a sustainable future for all remains unwavering. I am optimistic about the path ahead and deeply grateful for the collective effort of our people, partners and stakeholders.

Thank you for being a part of this journey and I trust you find this year's report informative.

Doug Jones Group CEO

Metcash is Australia's leading wholesale distribution and marketing company. We believe that it is important to Australia that there is a sustainable, independent, family-owned business sector.

Independent retailers are a vital part of their local communities. We help them to be the 'Best Store in Their Town' by providing merchandising, operational and marketing support across our Food, Liquor and Hardware pillars.

We believe that it is important to Australia that there is a sustainable, independent, family-owned their local communities.

Key Targets

Net-zero emissions by 2040

80%

waste to landfill diverted by 2028

100% renewable energy by 2025

OUR PURPOSE

Championing Successful **Independents**

OUR VALUES

Independence is worth fighting for; in treating our people, retailers and suppliers the way we like to be treated; and in giving back to the communities where we live and work.

OUR VISION



Best store in their town



Passionate about independents



A favourite place to work



Business partner of choice



Support thriving communities



Creating a sustainable future

Acknowledgement of country

Metcash acknowledges the Traditional Custodians of the lands on which we live and operate, and we pay our respects to Elders past, present and emerging.



Contents

ı
5
3
2
•
3

(Highlights)

2023 Highlights

OVERALL

DOW JONES SUSTAINABILITY INDEX (DJSI)

87th percentile (up from 69th)



CARBON DISCLOSURE PROJECT

B'



SUSTAINABILITY FINANCE FACILITY ESTABLISHED

\$**525**m



ACHIEVED INTERIM 2030 EMISSIONS TARGET FOR FY23

5.2%



decrease from FY22 73,659 tCO₂-e

SOLAR PV SYSTEM COMMISSIONED AT HUNTINGWOOD

>**700**kWp



WASTE-TO-LANDFILL DIVERSION GOAL BY 2028

80% across all operational

control sites





GENDER DIVERSITY TARGET (40/40/20) ACHIEVED

50%

female representation at Board level



ENGAGEMENT SURVEY

71St percentile

of internationally benchmarked companies (up 9 ppts from FY22)



TOTAL REPORTABLE INJURY FREQUENCY RATE (TRIFR)

199

34% improvement





DONATIONS THROUGH IGA COMMUNITY CHEST PROGRAM

\$3.1m

30% increase on FY22



FOODBANK MEALS DONATED

>606k
as well as 22t of
essential grocery items

BATTERY RECYCLING

now available at

>1,000

network stores



Company Initiatives



This year marks a very important milestone for Metcash with our Sustainability Report now including reference to the Global Reporting Initiative (GRI), the world's most widely adopted sustainability standard. Our GRI Index for referencing can be found in Appendix 1 of this report.

GLOBAL REPORTING INITIATIVE

Getting to this position has followed the completion of our two-year roadmap of preliminary work. Our first step in the roadmap was to conduct a materiality assessment. This identified, using the parameters below, the most significant environmental, social and governance (ESG) impacts for our business as considered by our stakeholders, which included investors, suppliers, retailers, our Board of Directors, team members and end consumers.

- Scope
- Scale
- Irredeemable character (for negative impacts)
- Likelihood
- Actual or potential impact
- Time horizon
- Our role in relation to the topic (cause, contribute or directly linked)
- Human rights impact

This year we prepared a gap assessment of priority disclosures for FY23 and linked our data sources to the 62 GRI disclosures included in the consideration set for this year. We then held several engagement sessions drawing awareness to the value of reliable data with over 30 data owners and stakeholders across our pillars, established data collection protocols within our ESG data tool, retained evidence of the disclosures and undertook internal verification with our audit and risk team.

In FY24 we will review the scope of disclosures and work with the relevant stakeholders to improve the depth and breadth of disclosures in the lead-up to reporting in accordance with GRI in our FY25 report.

The following table shows the resultant list of GRI-aligned ESG key topics identified by our internal and external stakeholders.







Metcash Sustainability Report 2023

Contents

hlights (Company Initiatives

< >

Company Initiatives continued

		1 NO POVERTY	2 ZERO BUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENOER EQUALITY	6 CLEAN MATER AND SANTIATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND EDUNOMIC GROWTH	9 MOUSTRY, INVOVAILE	10 REDUCED NEQUALITIES	11 SUSTAINABLE CITIE AND COVIDENTIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 IBF BELOW WATER	15 ON LAND	16 PEAGE JUSTINE AND STRONG INSTITUTIONS
Stakeholders	Key Topic Interests	Relev	ant Sus	tainabl	e Devel	opmen	t Goals	(SDGs))								
Investors	 Transparency, ethics and integrity GHG emissions, energy and climate resilience Human rights and modern slavery Waste, recycling and circular economy Employee health, safety and wellbeing Supply chain resilience and local sourcing Diversity and inclusion 	•		•		•		•	•	•	•		•	•	•	•	•
Employees	 Waste, recycling and circular economy GHG emissions, energy and climate resilience Diversity and inclusion Human rights and modern slavery Community engagement and impact Responsible procurement Supply chain resilience and local sourcing Employee engagement, development and retention Retailers' sustainability performance 	•	•	•	•	•		•	•	•	•	•	•	•	•	•	
Board/Executive	 GHG emissions, energy and climate resilience Diversity and inclusion Cyber security and data privacy Waste, recycling and circular economy Employee engagement, development and retention Supply chain resilience and local sourcing Community engagement and impact Responsible procurement 	•		•	•	•		•	•	•	•	•	•	•	•	•	•
Peers	 GHG emissions, energy and climate resilience Diversity and inclusion Employee health, safety and wellbeing Responsible procurement Waste, recycling and circular economy Biodiversity and environmental impact Community engagement and impact Consumer health and nutrition 	•	•	•		•		•	•	•	•	•	•	•	•	•	
Suppliers	 Waste, recycling and circular economy GHG emissions, energy and climate resilience Human rights and modern slavery Community engagement and impact Responsible procurement Employee health, safety and wellbeing Water stewardship 	•		•			•	•	•	•	•	•	•	•	•	•	
Retailers	 Community engagement and impact Waste, recycling and circular economy GHG emissions, energy and climate resilience Employee engagement, development and retention Supply chain resilience and local sourcing 	•		•	•			•	•	•		•	•	•	•	•	
Consumers	 Waste, recycling and circular economy GHG emissions, energy and climate resilience Supply chain resilience and local sourcing Diversity and inclusion Employee health, safety and wellbeing Community engagement and impact 	•		•		•		•	•	•	•	•	•	•	•	•	

Company Initiatives

Company Initiatives continued

SUSTAINABILITY LINKED LOAN

A significant achievement in the year was the establishment of a sustainable finance facility of \$525m.

The facility underpins our commitment to creating a sustainable future by establishing a link between our cost of doing business and our sustainability credentials.

The finance facility has key sustainability performance indicators ('KPIs') attached to it which are relevant, core, material, and of high strategic significance to our business. They are:

- 1. An emissions reduction commitment i.e. emissions to reduce in line with our 2030 target
- 2. Continuous improvement in our waste-to-landfill diversion rates towards our target of 80% waste diversion by 2028
- 3. Improvement in the percentage of total employees receiving Mental Health First Aid accreditation

The link between the KPIs and UN Sustainability Development Goals is shown below.

	UN Sustainability Development Goal	Themes	Performance Indicators
Environment	Affordable and Clean Energy 7 distribution Climate Action	 Emissions reduction Increasing renewable energy usage Reducing waste to landfill Increasing upcycling and recycling 	- KPI1 - KPI2
	Responsible Production and Consumption 12 Exercise Light Section 2. Consumption 1. Consumption	_	
Social	Decent Work and Economic Growth	- Employee wellbeing - Health and Safety	- KPI3

Metcash sought and secured an independent assessment of the KPIs suitability under the Sustainability Linked Loan Principles (SLLP). The review concluded that the goals were meaningful and relevant in the context of Metcash's broader sustainability and business strategy, and represented a material improvement over the loan tenure.

Metcash also underwent a limited assurance over the three KPIs based on our existing reporting periods:

KPI1 - Australian financial year National Greenhouse Gas Reporting emissions

KPI 2 - Calendar year landfill and non-landfill waste

KPI 3 - Total active employees in FY23 with Mental Health First Aid accreditation

< >

Our Planet



As Australia's largest wholesaler, we understand the role we play in minimising environmental and climate impacts across not only our own operations, but the entire supply chain in which we play a part.

Our Corporate Vision includes 'creating a sustainable future', and this involves working closely with our retailers and their communities, as well as suppliers, to mitigate the impact across all areas of the business.

This year represents a milestone for Metcash from a climate-related reporting perspective. After three years of preparatory work, we now have full coverage and alignment to all sections of the Taskforce for Climate-related Financial Disclosures (TCFD) standard. This was reviewed and confirmed by EY.

The year also included working towards achieving our emissions reductions target for Scope 1 and 2, with energy efficiency projects and the expansion of solar power at our distribution centres being key drivers.

Beyond our own footprint, we recalculated Scope 3 emissions using more recent and expanded data sources and we promoted free energy and waste audits for independent retail stores within our network.

73,659 tCO₂-e

Total Emissions

Interim Emissions Target Achieved



Carbon Disclosure Project score



Installed Solar Capacity across DC network

CLIMATE RISK

1. How we manage climate change

1.1 Governance

We have established appropriate frameworks and governance structures to further integrate climate-related risks into our corporate decision-making process. Maintaining an appropriate governance structure is essential to the integration of environmental, social and governance (ESG) factors across the Metcash business. Our ESG Council, chaired by the Group CEO, includes members of the Group Leadership Team (GLT) and meets quarterly to oversee the development, execution and effectiveness of our ESG approach, aligning it to the overall Metcash strategy.

Our climate-related governance structure is shown below.

METCASH BOARD

Responsible for setting the Company's strategy to respond to Metcash's climate change risks and opportunities, as well as Metcash's standards, policies and oversight of its climate change-related practices.

Audit, Risk and Compliance Committee

Effective management of financial and other material business risks.

Metcash Risk Profile and Risk Management Framework

Climate risk incorporated into the existing risk profile and framework.

Group Leadership Team (GLT)

Accountable for overall implementation of Metcash's climate change initiatives.

ESG Council

Responsible for incorporating climate change risk mitigation actions and measures into the business.

In addition to members of the GLT, the ESG Council includes representation from our merchandise, network liaison, property, sustainability, marketing, finance, corporate affairs and people and culture functions. Responsibilities are shown below.

Department	Responsibility	Pillar
Sustainability	Advice, projects, reporting, communications, targets and strategy	Corporate
Merchandise	Sustainable sourcing, social compliance and health and nutrition	ALL
Marketing	Community and retailer working groups	ALL
Property	Energy management, GHG emissions, waste	Corporate
Finance	Metrics, disclosures and safety	Corporate
People and Culture	Our people, diversity and inclusion and Indigenous engagement	Corporate

In FY23, the ESG Council absorbed the TCFD workstream into the wider *GHG emissions reduction, energy and climate resilience* workstream, to align with the materiality assessment of GRI topics across the business. The consolidation of workstreams allows for a more streamlined and holistic approach to addressing climate-related risks and opportunities across our pillars. The Board is provided with regular and comprehensive written updates on progress across our ESG initiatives and targets, including those related to climate risks and opportunities.

1.2. Strategy

Our Climate Change Risk and Opportunity Register continues to bolster our ongoing management of climate risk. Our highest-ranked climate risk is the increase in frequency and severity of acute physical climate change events, and the potential for higher insurance premiums and operating expenditures over the short (1–3 years) and medium (3–10 years) terms. No transition risks have been assessed as 'high risk'.

To integrate and operationalise the climate risks identified across our distribution centres, we updated our pillar risk registers to include climate-related risks. We also commenced work on managing climate-related risks at a site level, and we are developing site-specific risk registers which integrate the relevant risks and mitigating controls across all our distribution centres.

We have consulted with key stakeholders from our Food, Liquor, and Hardware businesses to determine the key physical and transition climate risks that are most material to our operations, in the context of our commodity supply-chain risk, and the impact of these risks at both a Group and pillar level. To operationalise these findings, we are developing a climate risk action plan, building on existing policies and procedures within the pillars. This plan will include commitments, priorities and actions to identify and manage climate-related risks that impact our supply chains and it provides guidance for how we can better support our suppliers to minimise impacts. Our aim is to integrate our environmental and social risk management practices to ensure a consistent approach across all pillars.

Accurate data collection is integral to assessing and managing climate change risks. We currently use Envizi and Resource Advisor to collect and monitor data for our sustainability reporting responsibilities. We are investigating the implementation of an end-to-end technology solution to support the integration of climate-related risks into our corporate risk register. This will involve collecting data across sustainability metrics including, but not limited to, energy and emissions, waste and recycling, human rights and modern slavery, and nature and biodiversity. This tool will support better informed decision making, risk mitigation and disclosure.

Scenario analysis

We continue to use the following three climate scenarios aligned to the IPCC Sixth Assessment Report (AR6) developed in FY22 to better inform strategic decision making.

Metcash scenario	Scenario type	IPCC Representative Concentration Pathway (RCP)	Related scenarios	Global warming scenario	Description
Low	Transition risk only	2.6	IEA Net-Zero Emissions Scenario; NGFS NZ 2050	1.5°C warming	Ambitious mitigation with a peak in emissions around 2020, followed by a rapid decline, reaching net-zero CO ₂ emissions around 2050.
Medium	Physical and transition risk	4.5	IPCC SSP2-4.5; IEA Stated Policies Scenario; NGFS NDCs	2–3°C warming	Power sector emissions reductions are offset by continued growth in emissions leaving annual emissions at around current levels.
High	Physical risk only	8.5	IPCC SSP5-8.5	>3°C warming	Minimal mitigation with a continuous rapid rise in emissions.

We continue to use qualitative scenario analysis in our strategic decision-making process, particularly in relation to acute physical climate change events that could drive higher insurance premiums and operating expenditures across our sites. To strengthen our ability to manage climate-related risks, we explored further quantitative scenario analysis by considering models for integrating an internal carbon price. This may assist us in successfully integrating climate-related risks into financial and strategic planning processes.

1.3 Risk Management

We have reviewed existing documentation that outlines accountabilities and responsibilities assigned in the risk register and updated them to reflect FY23 progress. We also met with internal stakeholders and engaged a consultant to better understand how we can integrate, operationalise and manage climate-related risks at an enterprise level, and in a centralised manner, that considers site-specific risks.

We commenced the process of developing site-specific climate risk registers in conjunction with the *Security of Critical Infrastructure Act* program of work, to understand the risks associated with our assets, including climate-related risks. Some of our distribution centres have already been impacted by extreme weather events that are predicted to have a greater impact in the coming decades'; therefore it is critical that we understand and mitigate these risks across all our pillars.

This work led to the development of a guidance document which provides direction to individual sites on the process and frequency in which to assess climate-related risks. The guidance document also outlines how to comprehensively integrate climate-related risks into site-level and corporate-level processes and reporting, to ensure strategic and tactical alignment in decision making.

The guidance document outlines how we manage climate-related risks at a site level, with key actions including:

- Review all risks through a third-party risk assessment
- Document any variations to risk ratings and mitigating controls
- Update responsible stakeholders for each risk
- Review approval process for amendments
- Circulate updated register to appropriate stakeholders

In terms of commodity or sourcing risk, the pillars took part in a facilitated workshop to review, validate and expand our existing knowledge base on the climate risks impacting products in our supply chain. We explored and discussed the commodities most at risk, and the steps we need to take to manage these risks – including diversification, substitution and screening suppliers.

We will conduct a more in-depth assessment in FY24 on effective substitutes for the commodities most at risk, and assess the feasibility of these substitutes across our value chain.

Our Business Resilience Framework established in FY22 continues to ensure effective anticipation, coping and adaptation to the impact of uncertainty.

We continue to investigate the implementation of an enhanced Company-wide governance, risk management and compliance system which will ensure integrated risk management across the Group, pillar and site levels. Risk owners have been identified, and residual risk scores were assigned after determining risk treatment and mitigating controls.

 CSIRO 2021, What are the impacts of extreme weather and climate events

1.4 Metrics and Targets

The latest Intergovernmental Panel on Climate Change (IPCC) synthesis report released in March 2023 stated that: "Human activities have unequivocally caused global warming and that unsustainable energy use, land use and land use change, and the lifestyles and patterns of consumption and production globally, have contributed to the rising greenhouse gas emissions that have caused this warming."2

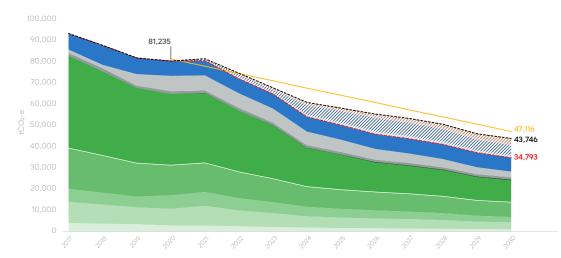
While global surface temperatures have risen by 1.1°C in Australia, our climate has already warmed by 1.5°C on average. This means Australia faces a greater risk of facing the impacts of climate change sooner with shifting rainfall patterns, an increase in extreme heat events associated with this warming, and heavy rainfall events already becoming more intense.3

To limit warming to 1.5°C globally, we must achieve net-zero carbon dioxide emissions in the early 2050s. We have adopted, and made progress against, the following targets in line with the Science-Based Target methodology:

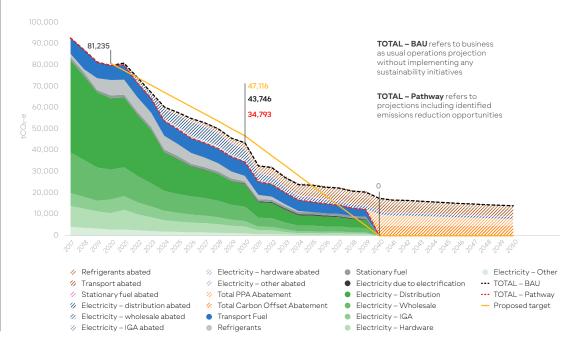
- A 10% reduction in greenhouse gas (GHG) emissions by 2025 (against a 2020 emissions baseline)
- A 2030 Scope 1 and 2 Science-Based Target of 42% reduction in GHG emissions by 2030, using a 2020 baseline, aligned to the 1.5°C warming scenario of the Paris Agreement
- A 100% renewable energy target by 2025
- A net-zero emissions target by 2040

We have met our interim GHG emissions target for FY23 by improving energy efficiency, reducing our Scope 2 grid emissions, installing more on-site solar, and further developing energy management both on-site and off-site. The graphic below indicates the impact of the changes made to date in our net-zero journey and outlines the remaining work.

Science-Based Target to 2030



Net-Zero Pathway to 2040



This year we established an Energy Steering Committee that meets to discuss energy efficiency improvements and opportunities in the organisation in response to the rising energy costs and the broader environmental impact. Doing so is financially pragmatic and an essential part of responsible business practice to address our climate footprint. The Committee consists of function leaders from Risk and Compliance, Operations, Facilities, Sustainability, and third-party energy specialists.

The ESG Council presented an in-depth and costed analysis of major energy efficiency initiatives to the Chief Financial Officer for evaluation and consideration. These initiatives were developed through desktop and physical audits of our sites by our third-party energy consulting partner and focused on understanding our sites (management, maintenance schedules, performance, asset life expectancy), the technology available to us to make efficiency improvements, and successful examples already in use.

Our progress on other initiatives across packaging and waste, responsible procurement and striving for 5-star Green Star Building rating on our new Mega Distribution Centre in Victoria all contribute to our broader net-zero emissions targets.

2. Looking forward

We recognise the risks that climate change poses to our supply chain and our ability to service our customers. We continue to support the decarbonisation of our industry and build business resilience to adapt to a changing economy and physical environment. As we continue our alignment with the TCFD and further our understanding and management of climate change impacts on, and by, our business, we will seek to maintain focus in the following areas:

	Action	Status
Governance	Align with internal stakeholders on level of climate ambition	•
	Board and management capacity building activities	
	Clarify internal structure for climate-related accountabilities, including accountabilities and responsibilities for risk management at each level	•
Strategy	Undertake climate scenario analysis and develop Climate Change Risk and Opportunity Register	•
	Study substitutes for key commodity groups	•
	Physical asset deep-dive and development of climate risk mitigation plans	•
	Deep-dive analysis on extreme weather events, including modelling	
	Continue use of scenario analysis in strategic decision making	•
Risk management	Integrate climate risk into corporate risk register	
	Document risk owners, control owners and actions in the corporate risk register	•
	Integrate climate risk management into existing enterprise risk management framework, systems and tools	•
	Treat and manage key risks	•
Metrics and targets	Calculate and monitor Scope 3 emissions	•
	Identify metrics for key risks	•
	Establish targets for key risks and align to pillar and enterprise strategies	•
	Monitor performance against targets and metrics	•
	Obtain third party assurance over Scope 1 and 2	

In addition to our continued focus on alignment with TCFD recommendations we are also taking into consideration the draft International Sustainability Standards Board (ISSB) disclosure metrics for climate change. The introduction of the International Sustainability Standards Board (ISSB) will provide a comprehensive global baseline of sustainability disclosures. It builds on the principles of several existing frameworks and standards, including the Taskforce for Climate-related Financial Disclosures (TCFD). Similarly, the Taskforce for Nature-related Financial Disclosures (TNFD) will provide a framework for businesses to assess and manage nature-related risks and ultimately address nature in decision making. Metcash is now aligned to the TCFD recommendations and will continue to prepare for the introduction of the ISSB and TNFD frameworks. The ISSB standards are expected to be finalised in FY24 and we anticipate making appropriate references to the ISSB standards in the FY25 Sustainability Report.

ENERGY CONSUMPTION AND EMISSIONS

Metcash defines its operational boundary for the purposes of calculating Scope 1 and 2 emissions as being any entity in which Metcash or its subsidiaries have operational control, as defined by the *National Greenhouse and Energy Reporting Act 2007*.

Metcash has 190 facilities across the business over which it has operational control. These include distribution centres, retail stores, corporate locations, warehouses, and joint venture partnership stores.

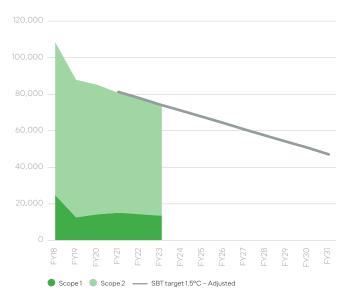
We calculate our greenhouse gas emissions annually using the Greenhouse Gas Protocol and submit an Emissions and Energy Report to the Clean Energy Regulator. Our total emissions, as reported under National Greenhouse and Energy Reporting System (NGERS) in FY23, were 73,659 tonnes of CO_2 -e, which represents a 5.21% reduction on the prior year (FY22: 77,706 tonnes of CO_2 -e). Our interim target for this year was 74,411 CO_2 -e. Comparing with our latest NGERS report, we have achieved greater than our interim target by an additional 1%, which aligns with our emissions reduction trajectory.

Table 1 shows the sustainability metrics based on our NGERS report.

Year	Units	FY19	FY20	FY21	FY22	FY23
Scope 1	tCO ₂	12,472	14,110	15,055	14,576	13,225
Scope 2 (location-based method)	tCO ₂	75,321	71,132	66,180	63,130	60,434
Scope 1 and 2 (location-based method)	tCO_2	87,793	85,242	81,235	77,706	73,659
Scope 2 (market-based method)	tCO ₂	102,623	89,168	83,695	82,417	76,441
Scope 1 and 2 (market-based method)	tCO_2	115,095	103,278	98,750	96,993	89,666
% Coverage of Scope 1 and 2 by operations	%	100	100	100	100	100
Non-renewable energy	kWh	101,276,262	89,356,066	83,739,892	82,095,780	80,769,206
Renewable energy	kWh	-	-	-	396,078	1,127,842

^{*} Metcash Science-based Target (SBT) is based on a location-based method.

FY23 Update on Emissions Targets



Total fuel consumption from non-renewable sources was 408,470 GJ, down 1.2% year-on-year. Grid electricity use, our largest source of emissions, reduced by 1.6% to 80,769 MWh in FY23 from 82.095 MWh in FY22.

To the right we have indicated our energy intensity by square metre of floor space under operational control. Our typical year-on-year trend has been an overall decline in energy and carbon intensity by square metre of floor space. In FY23 however, there was a slight increase in intensity due to the change in size of operationally controlled facilities. Although Metcash had more sites in FY23, which included the addition of 19 Hardware stores, the FY22 reporting period included both the new DCs, Gepps Cross (SA) and Ravenhall (VIC), as well as the now legacy sites of Kidman Park (SA) and Derrimut (VIC). These sites are large sites and therefore contributed significantly to the total portfolio square meterage in FY22, and they have been removed from the denominator in FY23, leading to an increased figure for portfolio intensity.

Year-on-year energy intensity by area (GJ/m²)



Year-on-year carbon intensity by area (tCO2-e/m2)



Year-on-year location-based carbon intensity by revenue (tCO2-e/\$m)



External verification of emissions

As part of our Sustainable Linked Loan requirement we undertook an external audit of our FY23 (Australian Financial Year FY22) National Greenhouse Energy Reporting figures, which we use for annual tracking of our 2030 target of a 1.5° emissions reduction. This audit was prepared by PwC Australia. For further details please refer to the section on sustainable finance.

Scope 3 emissions

Last year Metcash took its first step on the journey to measuring, managing and reducing Scope 3 emissions. A methodology and planned approach was developed with input and guidance from the NSW Government's Department of Planning, Industry and Environment. A combination of primary data, both actual and modelled, and secondary data from industry averages, together with spend data, was used. We assessed our first Scope 3 data, based on FY20, to align with our Scope 1 and 2 baseline year. This year we have reassessed our boundary and our data to provide an updated Scope 3 emissions estimate for FY23.

The boundary for this estimate has been set using the relevance test endorsed by Climate Active Standard for Organisations, adapted from the Greenhouse Gas Protocol. Using the relevance test, Metcash's Scope 3 boundary has been determined as detailed below:

Emissions type	Emissions source
Scope 3 emissions from facilities under the operational control of Metcash	 Production and transport of liquid fuels other than petroleum oils or gases used for transport energy purposes
	 Production and transport of liquid fuels other than petroleum oils or gases used for stationary energy purposes
	 Transmission losses of electricity from main electricity grid within State or Territory
	- Water consumption
	- Waste to landfill
	- Purchased goods and services
	· Office supply (including paper)
	· Postage and packaging
	· Professional services*
	· ICT services and equipment
	· Business travel (including flights, accommodation, taxis)
	- Staff commute
	- Staff working from home
Scope 3 emissions from upstream stakeholders	 Production of traded goods (purchased goods and services) – operational emissions (Scope 1 and 2) of tier one suppliers of goods purchased by Metcash
	 Transport of goods between suppliers and Metcash's distribution centres. Emissions released from combustion of liquid fuels other than petroleum oils or gases – Transport energy purposes
Scope 3 emissions from downstream stakeholders	 Sale of traded goods (use of sold products) – operational emissions (Scope 1 and 2) of independent retail stores selling Metcash supply goods
	 Transport of goods between Metcash's distribution centres and retail stores (Metcash-operated and independently owned). Emissions released from combustion of liquid fuels other than petroleum oils or gases – Transport energy purposes

Professional services include public administration and finance services, professional engineering services, rates and taxes, education and training, banking and investment, accounting and bookkeeping services, storage services, legal services, real estate services, cleaning services, security and personal safety, travel facilitation, insurance, business services, accommodation and venue hire, advertising and promotion and other services.

The accuracy of our Scope 3 emissions estimate in FY23 was underpinned by:

- Expansion and broadening of research into upstream emissions to increase the accuracy of supplier-related Scope 3 upstream emissions, allowing for improved extrapolation
- Building on gap analyses undertaken in FY23 we targeted specific areas of our data ecosystem to reduce the reliance on extrapolation and estimated values

We also continued to focus on emissions sources that Metcash has a greater ability to directly influence, together with those that are materially relevant to our stakeholders.

Our analysis to date does not include the following emissions sources:

- The embodied carbon of traded goods
- End-of-life of sold products
- Upstream air and sea freight emissions
- Hardware's upstream and downstream freight emissions (some downstream Hardware emissions are included in Scope 1)

The estimation of Scope 3 emissions has been allocated into three segments: organisational, upstream and downstream emissions.

Our Scope 3 organisational emissions have been estimated at 6.2% of our overall corporate carbon footprint (when including Scopes 1, 2 and 3). These emissions are those that relate to our internal corporate activities such as the procurement of non-trade goods and services. Organisational emissions for Scopes 1, 2 and 3 have been estimated to account for 12.2% of Metcash's total Scope 1,2 and 3 emissions. The remaining 87.8% is derived from upstream and downstream emissions.

The breakdown of emissions sources is shown below

CARBON EMISSIONS Scope 1 emissions (tCO ₂ -e)	2023
Stationary energy – Natural gas, diesel and LPG	1,376
Transport - Fleet vehicles	6,597
Refrigerants	5,252
Total Scope 1 emissions (tCO ₂ -e)	13,225
Scope 2 emissions (tCO ₂ -e)	
Purchased electricity	60,434
Total Scope 1 and 2 emissions (tCO ₂ -e)	73,659
Scope 3 organisational emissions (tCO ₂ -e)	
Professional services	23,745
Waste to landfill	10,836
Electricity transmission and distribution losses	6,865
Staff commute	6,440
Office supply (including paper)	12,733
ICT services and equipment	7,464
Postage and packaging	2,786
Working from home	555
Water consumption	615
Business travel	2,252
Production and transport of liquid fuels for transport – Fleet vehicles	1,584
Production and transport of liquid fuels for stationary energy purposes – Natural gas, diesel and LPG	149
Total Scope 3 organisational emissions (tCO ₂ -e)	76,023
Total Scope 1, 2 and 3 organisational emissions (tCO ₂ -e)	149,682
Scope 3 upstream stakeholders emissions (tCO ₂ -e)	
Suppliers operational emissions (tier one only)	660,335
Logistics between suppliers and Metcash distribution centres	63,018

CARBON EMISSIONS	2023
Total Scope 3 upstream stakeholders emissions (tCO ₂ -e)	723,353
Scope 3 downstream stakeholders emissions (tCO ₂ -e)	
Independent retail stores operational emissions	303,675
Logistics between Metcash distribution centres and retail stores (Metcash-operated and independently owned)	55,141
Total Scope 3 downstream stakeholders emissions (tCO ₂ -e)	358,816
Total Scope 3 emissions (tCO ₂ -e)	1,158,193
Total Scope 1, 2 and 3 emissions (tCO ₂ -e)	1,231,852

The following assumptions and factors were applied during the calculation of our Scope 3 data:

- 1. Figures are reported using the location-based accounting method.
- 2. Extrapolation is used to estimate incomplete data sets such as water consumption, suppliers, and independent retail stores operational emissions.
 - a. Some categorised data from Business travel and Professional services were extrapolated due to unavailable data.
- 3. The emissions factors of the top suppliers have been calculated and used to extrapolate the emissions of the remaining suppliers in the same category, due to limited access to broader data sets.
- 4. The emissions from upstream logistics are expected to be greater than the downstream logistics. This is because:
- a. For downstream freight, goods are mostly transported to the retail stores from the closest distribution centre. As such, the majority of the transport is happening locally or within a State. No air and water transport vehicles are used in downstream freight.

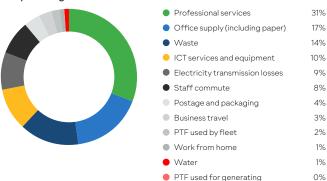
b. For upstream freight, some goods are transported via air and water transport from international suppliers to suppliers' local distribution centres and subsequently via land to Metcash's distribution centres. Additionally, some goods are transported interstate via land transport.

The emissions sources from upstream logistics share similar characteristics to the emissions sources from the downstream logistics. These are:

- c. The volume and weight of transported goods is the same for upstream and downstream freight. On an annual scale, the same amount of traded goods enters and leaves the Metcash-operated distribution centres.
- d. The numbers of Metcash-operated distribution centres are the same for upstream and downstream freight. These represent the destination of the upstream freight and the origin of the downstream freight.
- 5. Waste to landfill figures are sourced from third-party waste vendors.
- 6. Due to the lack of available data from upstream logistics, the upstream emissions are considered equivalent to downstream logistics emission, with an uplift factor of 20% applied.

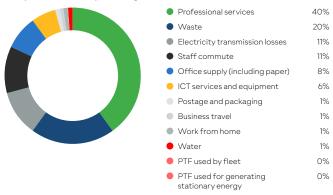
Scope 3 graphs FY23



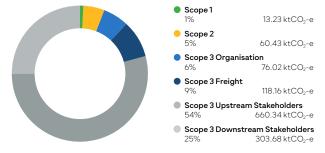


stationary energy

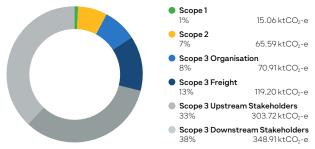
Scope 3 baseline year Organisation



Carbon footprint of Metcash



Baseline year carbon footprint



This year we tested the assumptions used in our baseline year and recalibrated figures to align with FY23. Each year we will revise our Scope 3 boundary and update our emissions inventory with the view to continuously improve. For our most material products we will be estimating life-cycle emissions, expanding coverage of our freight emissions including rail, sea and air and continuing to investigate opportunities to influence the reduction of Scope 3 emissions in FY24. Beyond FY24 we intend to also account for emissions associated with the use of our most material sold products and their end-of-life treatment (e.g. cooking of chicken, product disposal into landfill). This is in line with guidance from the Australian Retailers Association.

Emissions reduction activities

We continued our roll-out and analysis of energy efficiency opportunities and are planning for additional on-site renewable energy. With assistance from our energy partner, we completed on-site and desktop audits which culminated in energy efficiency workshops for our five Mega DCs which account for ~50% of Metcash's total electricity consumption and Scope 2 greenhouse gas emissions. A potential 2m kWh of energy savings were identified, including: lighting control and LED upgrades, refrigeration tuning and major upgrades, HVAC tuning and optimisation, metering and monitoring, forklift battery and ventilation control improvements, microgrids and demand management.

Solar output at our new Gepps Cross, South Australia DC was 1,128 MWh. We also have solar installed at several Mitre 10 locations, including Capalaba and Nerang in Queensland and Launceston, Tasmania; and at two DC locations.

Fleet

With most of our fleet services falling outside of our direct control, emissions from our Scope 1 represent a small percentage of our total fleet emissions. Nevertheless, our logistics team continue to assess opportunities to improve the emissions intensity of our transported goods. We continue to upgrade our fleet to Euro 6 and hybrid options, and will be participating in the Hume Hydrogen Highway pilot to assist the industry in scoping the feasibility of hydrogen fuelled long-haul fleets. For our Scope 3 fleet-related emissions, we continue to engage with our partners to promote route optimisation and capacity utilisation.

WASTE AND RECYCLING

Waste is considered the second-most material topic for Metcash as determined by our stakeholders, as part of the GRI materiality assessment. Non-recyclable paper and plastic materials form the majority of our waste profile, largely driven by packaging throughout the supply chain.

Key sources of our packaging waste include:

- Upstream product packaging from consumer goods
- Upstream inbound transport packaging
- Outbound transport packaging
- Packaging within Metcash's operations

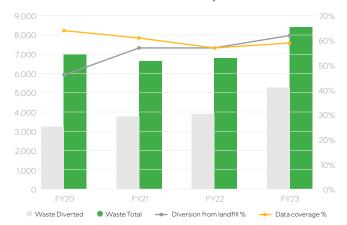
This year we established a target for sites within our operational control of diverting 80% of our waste to landfill by 2028. We work closely with a number of licenced waste and recycling providers to identify opportunities for continuing to reduce the amount of waste that goes to landfill. Our process for improvement also includes providing relevant data to independent consultants for further assessment and identification of reduction opportunities.

The year included continuing to progress through our roadmap for Waste Avoidance and Recovery. Ensuring a thorough understanding of the waste management practices within our direct control was this year's key focus, and included:

- Establishing a cross-functional working group to ensure effective collaboration
- Undertaking a comprehensive waste audit
- Conducting daily bin inspections over a test period at all major DCs to track the level of recyclable materials going to general waste
- Improving communications across the organisation, including providing tips for better recycling at work and at home
- Assuring waste data relevant to a new sustainability linked loan facility
- Working with waste service providers to identify opportunities associated with bin sizing, frequency of collection, training, and reducing reliance on estimated weights

The graph below shows the increase in Metcash's waste diversion since 2020

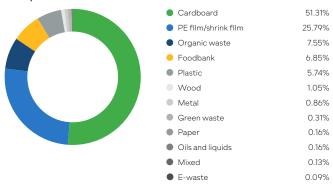
Waste Diverted from Landfill YoY comparison



Data coverage refers to availability of waste data measured by the total

The composition of waste diverted in FY23 is shown in the chart below

Composition of Waste Diverted from Landfill FY23



Data is from the period 1 Jan 2022 to 31 Dec 2022.

Within our broader value chain food waste at stores and on farms are also areas where we strive for better visibility around waste and its reduction.

Our initiatives to help reduce food waste within the Food retail network include:

- Rolling out systems to assist in managing orders to better match anticipated demand
- Developing tools to measure food waste more accurately
- Promoting behavioural change via campaigns to reduce food waste at home
- Onboarding more retailers in our network to adopt the Food For Change solution to rescue that which is still fit for human consumption and distribute it to those in need

Metcash has a long-standing relationship with Foodbank Australia, and this year we donated more than 336 tonnes of food and 22,160kg of essential grocery items to individuals and households in need. These donations included some items that may have otherwise ended up in landfill.



Packaging

Sustainable packaging and packaging reduction is a high priority at Metcash and we recognise the opportunity to accelerate progress through working cooperatively with our suppliers, industry and the government.

Our current focus includes identifying and phasing out problematic packaging; improving packaging education and integrating more recycled content into packaging.

As a wholesaler, we have a heavy reliance on plastic pallet wrap. We continue to work closely with our supplier of plastic wrap to further improve our packaging efficiency, reduce our plastic consumption and find end-of-life solutions for spent pallet wrap and rolls.

Our recent achievements in reducing the amount of plastic wrap used can be seen in the chart below. The weight of plastic used decreased from 42.9kg/\$m in FY20 to 32.2kg/\$m in FY23.

Plastic wrap weight/Revenue (kg/\$m)



* Data is from the period 1 Jan 2022 to 31 Dec 2022.

Australian Packaging Covenant Organisation (APCO)

As a member of APCO, Metcash has adopted the following national packaging target:

- 100% reusable, recyclable or compostable packaging
- 70% of plastic packaging being recyclable
- 50% of average recycled content included in packaging
- The phase-out of problematic and unnecessary single-use packaging

Metcash sustainable packaging guidelines

This year we finalised a code of practice for suppliers in relation to our sustainable packaging guidelines that were developed and introduced last year. The guidelines are tailored for Metcash and based on APCO's sustainable packaging guidelines.

We continue to strive for best practice and consult with industry and leading organisations in this area such as: APCO, the National Retailer Association, The Australian Institute of Packaging, Planet Ark, leading manufacturers, collectors and re-processors of packaging. We are also working closely with the Australian Food and Grocery Council on a nationwide solution for soft plastic recycling via the National Plastics Recycling Scheme.

FY23 achievements

- Reducing plastic packaging by 60% across the Community Co organic, grass-fed and free-range case-ready meats through introduction of a new packaging format
- Launching a pilot program for recycling coffee pods in collaboration with Planet Ark
- Integrating post-consumer waste into the Community Co convenience salad bowl range, equating to approximately 4.7 tonnes per year of PET packaging becoming circular
- Integrating post-consumer waste into water bottles across an additional four SKUs of Community Co water, leading to 196 tonnes per year of PET packaging becoming circular

Going forward

Our focus is on identifying all problematic packaging and partnering with packaging manufacturers and suppliers to facilitate a transition to full recoverability by 2025. This will include assessing the opportunity for new collaborations and programs to improve the circularity of problematic packaging.



Australasian Recycling Label

Metcash endorses the Australasian Recycling Label (ARL) to aid customers in determining the most effective method for recovering post-consumer packaging materials. The ARL is present on all our Food pillar's private label items, and ~50% of our own-label products in the Liquor pillar now display the ARL.







RECYCLABLE

CONDITIONALLY RECYCLABLE

NOT RECYCLABLE

Battery recycling

Substantial progress has been made across the network in the implementation of in-store battery recycling for customers, supporting the circular economy and keeping hazardous waste from landfill. In the Hardware pillar, we have significantly expanded the number of participating sites from 165 stores to 456 stores. These stores recycled over 45.5 tonnes of batteries this year, resulting in the prevention of ~7,100kg of CO2-e emissions. The Hardware pillar promotes the use of this battery recycling service through social media, smoke detector battery change campaigns and online.

In the Food pillar we have 554 participating stores, up from ~300 last year. Total batteries collected through the Food retail network in FY23 was ~98 tonnes. Around 80% of collected materials are repurposed or recycled by our battery recycling partner EcoBatt, within six months of collection.

Since program commencement in late 2021

1,010

network stores providing in-store battery recycling

195+ tonnes

of batteries collected for recycling since our stores commenced the program



Paintback program

Australians have safely disposed of more than 45 million kilograms of paint and packaging since the Paintback program was established in 2016, diverting paint and packaging from landfill and our vital waterways. Recycled paint is converted into an alternative fuel source replacing coal; or the water is extracted and used by other industries, reducing the reliance on mains water. Additionally, plastic and metal paint packaging are recycled for continued use in the circular economy.

Our Hardware pillar's IHG business has adopted the Paintback program. An assessment of IHG store locations and the proximity of Paintback collection sites found that ~56% of IHG stores selling paint were conveniently located near a collection site, making them suitable for supporting Paintback's services. This information is now being used to roll out eLearning for stores on the program, as well as for marketing support in-store and online.

Polypropylene (PP5) pot plant recycling

Mitre 10 expanded its trial of circular recycling for PP5 plastic plant pot materials from two stores in Victoria in FY22, to 15 stores across four States. The program is expecting to grow further in FY24. Under this initiative, customers can return PP5 plastic pots, trays, stakes and labels, which are then granulated and transformed into new plant pots made from recycled materials. This initiative also drove re-use of PP5 plastic pots with members of the community selecting undamaged deposited plant pots for use in their gardens as supported by the Mitre 10 stores.

WATER

Changing rainfall patterns and environmental pressures on fresh water sources continue to be a global challenge. Our operations are not considered water-intensive or water-sensitive, however we are actively monitoring our water consumption and continue to work with our landlords to improve water efficiency at our distribution centres. Active management of digital water meters is helping us to better identify issues, and rectify leakages early.

Our Planet

Metcash's water intensity is shown below.

	Units	FY19	FY20	FY21	FY22	FY23
Water Intensity	kL/m²	0.39	0.28	0.23	0.19	0.19
% coverage by area*	%	27%	28%	24%	37%	40%

YoY water intensity by area (kL/m²)



We will continue to expand our coverage of water data across more Metcash sites to help better understand and manage our water consumption and reduction opportunities.

Our People



Our people are Metcash's most valuable resource, and we consider their safety, belonging, engagement and inclusivity essential elements of our culture.

DIVERSITY, EQUITY AND INCLUSION

We are dedicated to fostering diversity, inclusivity, equal opportunities and a culture of respect for all individuals. These values are firmly embedded in our Diversity, Equity and Inclusion (DEI) Policy. We have a DEI Council that convenes quarterly, and we regularly review our policies to ensure that we are responding to the changing needs of our team members. This ongoing evaluation enables us to enhance our support systems and continuously improve the experience of our workforce.

Gender equality

Our ongoing commitment to gender equality has been externally recognised with Metcash being awarded the Workplace Gender Equality Agency Employer of Choice for Gender Equality (WGEA EOCGE) citation for the last five consecutive years. We have also achieved our gender diversity target of 40/40/20 at the Board and Group Leadership Team levels.

We are proud to report that our gender pay gap sits at approximately 1%, which is testament to our commitment to fostering a fair and equitable workplace. We regularly report gender pay statistics to the People, Culture and Nominations Committee for transparent review; and proactively address any salary gaps that may emerge, ensuring fair and equitable compensation for all team members.

40/40/20

gender diversity at Board and Leadership Team levels target achieved

~1%

Gender Pay Gap

WGEA Employer of Choice for Gender Equality

(fifth year in a row)

34%

reduction in Total Recordable Injury Frequency Rate (TRIFR)

Mental Health First Aid Australia Gold Accredited Workplace Status

Our People continued

Leadership programs

Metcash is committed to cultivating a positive and diverse culture by investing in leadership development. We have designed and implemented an Inclusive Leadership Program that goes beyond addressing unconscious bias. This program empowers leaders at all levels within Metcash to embrace inclusive leadership practices. By building upon our existing knowledge of unconscious bias, the program equips leaders with the skills and tools necessary to create an inclusive and supportive work environment.

As part of our commitment to fostering gender diversity and advancing women in leadership, we have a Women in Leadership Program. This program serves as a pivotal initiative aimed at nurturing our female talent and expediting their leadership development and career advancement. The Strive Emerging Female Talent Program, a key component of our Women in Leadership Program, has been specifically designed to fast-track the growth of emerging female talent into leadership positions within Metcash. Several of our program alumni have successfully transitioned into leadership roles and are now actively involved in the program as guest speakers, inspiring the next generation of leaders at Metcash.

We have an unwavering focus on cultivating a diverse and inclusive culture that not only benefits our organisation but also to better serve our communities and customers. We are dedicated to creating an environment where our team members feel secure, acknowledged, valued, and empowered to be their authentic selves.

Flexible ways of working

We are fully committed to championing policies that benefit all our team members, including our flexible ways of working. In recognition of our genuine commitment to workplace flexibility, we are proud to announce that we have received the prestigious FlexReady Certification from FlexCareers. Our score of 87% surpasses the cohort average of 72%, highlighting our commitment to creating a flexible and inclusive environment.

As we normalise working post the COVID pandemic, Our Ways of Working program aims to facilitate effective communication between leaders, team members and peers, as we transition back to the office. This program fosters collaborative and supportive conversations throughout the organisation, empowering teams to co-design working styles tailored to their unique needs. Since its launch, Metcash teams have developed working patterns that consider the requirements and preferences of the business, individuals and customers; and these are periodically reassessed to ensure their continued effectiveness and alignment with organisational goals.

To support our diverse workforce, our parental leave policy accommodates various circumstances including births, stillbirths, surrogacy, miscarriages and adoptions; and ensures equal opportunities for all genders. We recognise the importance of addressing domestic family violence, and therefore provide both paid and unpaid leave options to support our team members who may be experiencing such situations.

Creating an inclusive culture

We have an unwavering focus on cultivating a diverse and inclusive culture that not only benefits our organisation but also to better serve our communities and customers. We are dedicated to creating an environment where our team members feel secure, acknowledged, valued, and empowered to be their authentic selves.

We have established Employee Resource Groups to provide a strong support system for our LGBTQ+ community (MetPride) and our First Peoples group (Jumbunna) which represents our Aboriginal, Torres Strait Islander and Māori team members. These resource groups have dedicated committees, clear purpose statements, and executive sponsors who play a vital role in promoting, sharing and educating others about diverse cultures within Metcash. Through their initiatives, these groups create an inclusive and culturally rich environment across our organisation.

In line with our commitment to promoting diversity and challenging assumptions, we have recently revitalised our 'Employee Value Proposition' and branding. By doing so, we aim to reflect the vibrant diversity of the communities in which we operate, and actively encourage women to consider and pursue traditionally male-dominated roles within our organisation.

To further support our gender strategy, we have enhanced our recruitment practices. This includes implementing targeted sourcing strategies to attract a more diverse pool of candidates and incorporating a gender decoder, to minimise gendered language, across all our job advertisements. In addition, we provide coaching to our hiring managers on making inclusive hiring decisions.

We uphold a strict zero-tolerance policy when it comes to unlawful discrimination, bullying, harassment and victimisation. We take a firm stand against gender-based harassment, discrimination, sexual harassment and bullying in any form. As part of commitment to our zero-tolerance policy we have mechanisms in place to prevent and respond to any incidents.

Our People continued

APPENDIX

Employee category by age group

	Non-Executive Board	Group Leadership Team	Other Executive/ General Manager	Senior Manager	Other Manager	Non-Manager
< 30	0%	0%	0%	0%	1%	25%
30-50	0%	44%	42%	57%	64%	44%
> 50	100%	56%	58%	43%	35%	31%

^{*} These figures are based on employees of Metcash Trading Limited and 100% owned entities. Contractors not employed by Metcash Trading Limited, Total Tools employees, JV employees are not included.

Female representation across employee category

Board of Directors (Non-Executive)	50%
Group Leadership Team	44%
Other Executive/General Manager	31%
Senior Manager	29%
Other Manager	36%
Non-Manager	32%

- Total Tools employees, JV employees are not included.
- ** Employee category is broken down by management category (in line with WGEA reporting), with the addition of the Board of Directors and GLT. All remaining employees are in the Non-Manager category.

Total employees hires and turnovers by gender, age group and region

	New Employee Hires	Employee Turnover
Total	2,036	1,747
Female	717 (35%)	574 (33%)
Male	1,319 (65%)	1,173 (67%)
Non-Binary	0 (0%)	0 (0%)
< 30	942 (46%)	702 (40%)
30-50	794 (39%)	697 (40%)
> 50	300 (15%)	348 (20%)
ACT -	36 (2%)	27 (2%)
NSW	530 (26%)	432 (25%)
NT	95 (5%)	88 (5%)
NZ	42 (2%)	59 (3%)
QLD	447 (22%)	405 (23%)
SA	286 (14%)	233 (13%)
TAS	96 (5%)	87 (5%)
VIC	396 (19%)	326 (19%)
WA	108 (5%)	90 (5%)

^{*} These figures are based on employees of Metcash Trading Limited and 100% owned entities. Contractors not employed by Metcash Trading Limited, Total Tools employees, JV employees are not included.

Our People continued

HEALTH AND SAFETY

Ensuring the safety and wellbeing of our employees is our highest priority. This year we revised our Safety, Health and Environment (SHE) Strategy and established both short- and long-term initiatives aimed at preventing work-related injuries and illnesses to team members, contractors and visitors at our sites, as well as in our supply chain. Our focus also includes supporting our independent retailers to improve their safety.

Pleasingly, this year there was a 34% reduction in our key safety measure of Total Recordable Injury Frequency Rate (TRIFR), from 27.00 in FY22 to 19.86. The improvement has been underpinned by our ongoing focus on lead indicators, particularly the quality of safety conversations from leaders to frontline workers. While this is a meaningful improvement, we continue to focus on further reducing this measure and have identified key drivers to achieve this in FY24.

Safety culture

Strong leadership and the reinforcement of safe behaviours are key to making a meaningful difference in this area. Training is an important element of reinforcing safe behaviours and this year we conducted an extensive review of all safety and health related training with an aim of ensuring they reflect best practice.

We also revised our approach to incident management to bring greater discipline to post-incident reporting and escalation. Sharing learnings post-event helps identify the root cause of an issue and enables us to implement actions to prevent incident reoccurrence.

Lead indicators

Our lead indicators provide valuable information about how effective our systems and processes are at preventing injuries. They also help encourage a proactive safety culture. FY23 included pleasing improvements across our lead indicators with engagement conversations 21% above target, safety communications 128% above target, SHE workplace inspections 22% above target and hazard reporting 24% above target.

Wearable technologies

This year we expanded our Wearable Technology Program across our operations to help more team members improve safe manual handling habits and further reduce related injuries. The wearable technology is comprised of small haptic feedback devices worn by team members on their back or arm. These devices measure body movements as team members go about their usual work and are worn for every shift over a period of four weeks. The body movement data collected over this period is analysed by leading edge analytic technology to enable detailed manual handling technique coaching that is bespoke to each team member. This coaching helps amplify the learning experience and embed safe manual handling techniques.

This program has provided greater insight into our underlying risks, enabling the business to use the collected data to invest in and implement solutions such as improved trolleys or more ergonomic pick slots. These controls reduce the need for our people to manually move cartons; or helps move them in better ways to reduce the risk.

Metcash was honoured to win the 2022 NSCA Safety Excellence Award for Best Solution for a WHS (Work, Health and Safety) Risk (Large Business). The award related to innovations undertaken in partnership with Rotolift, resulting in the development of an in-rack pallet solution that reduces manual handling risk.



Promoting responsible driving

We continued to improve the visibility of fleet vehicle safety across the organisation. A key contributor was the further improvement of our Group Fleet Safety Corporate Standard, including related training and driver declarations. As part of our comprehensive education campaign a series of Driver Safety Weeks are scheduled for early FY24, as well as light vehicle maintenance workshops to improve driver safety knowledge.

Chain of responsibility

This year our key focus on transport safety was the Independent Hardware Group (IHG); our third-party heavy vehicle carriers; and amongst pedestrians at our sites. Risk assessments were conducted for all IHG transport-related tasks and a training needs analysis was completed to identify where training could be established or further developed.

IHG transport safety processes were reviewed and tested by AMCAS (Australian Logistics Council Master Code Auditing Service). This is the second year this has been conducted across our Group functions, and our second compliant result. The focus next year for AMCAS will be on Food pillar logistics and ALM operations.

The year also included introducing a proximity alarm trial with forklifts at our Northmead, NSW Campbell's site to enhance pedestrian safety.

Wellbeing

Wellbeing continues to be a key focus for us and includes initiatives such as training and providing active coaching services for team members to support their physical, mental, financial and occupational health.

Metcash was again awarded Gold Accredited Workplace Status from Mental Health First Aid Australia. The number of team members now trained in Mental Health First Aid has grown to over 330. In FY24 our focus will include conducting quarterly education sessions to further develop skills to provide early, quick and confident support to our people.

Our Community





Our focus on fostering thriving communities extends from our stores all the way through our supply chain. Our aim is to support our retailers, suppliers and shoppers in reducing any adverse social or environmental impacts, and to empower them to provide financial and in-kind support to local organisations in their communities.

RESPONSIBLE SOURCING

We have established partnerships with a network of trusted suppliers, both in Australia and internationally, to develop and deliver our private label ranges. We actively work with these suppliers to ensure our private label products are sourced in a transparent, responsible and sustainable manner.

34k

local organisations supported by **IGA** supermarkets

\$194m

worth of financial, time and in-kind support to community organisations

2.3m meals

(1,206.8k tonnes of food) donated through Metcash and network food rescue programs

~\$**37**m

donated through Community Chest since 2010

Our private label brand and product standards

Every private label product is made to strict product specifications and the supplier is required to provide Metcash with information on the product's composition, production process, allergens, suitability to vulnerable people, safe storage, usage and disposal. All this is reviewed by Metcash subject matter experts who use the data to generate labels that are compliant with food standards and relevant legislation. Our private label products received no fines, warnings or breaches of relevant codes during the year.

We have comprehensive policies, codes of practice and guidelines for our private label products that our supplier partners are required to meet. For example, all suppliers must be registered with SEDEX, Fair Farms or equivalent industry recognised schemes in addition to having satisfactorily completed a self-assessment questionnaire prior to a product being launched.

We strive to enhance our environmental and social performance while delivering products that align with our customers' values. Our private label product development and technical team oversees rigorous internal compliance processes to ensure adherence to our strict standards. They design, assess and approve all new product launches and the onboarding of new suppliers.

Our new database for quality, safety and sustainability aims to enhance data rigour, response rates records management and traceability capabilities across our local and international supply base. These systems, and our requirement for strict compliance, ensure we deliver products to our customers that are safe, legal, of high quality and produced with integrity.

Our system improvements during the year also enhanced our data capture and strengthened our ability to access relevant information for fulfilling GRI disclosures and strategic ESG planning. These improvements mark the initial phase of integrating sustainability and responsible sourcing criteria and insights into the business planning process with our major supply chain partners. We aim to drive stronger collaboration with our partners to achieve and drive positive impacts towards a more sustainable and responsible business ecosystem.

















Advancing our private label commitments

We are committed to continuing to provide the best quality products to our customers, while also ensuring we are protecting the ecosystems we rely upon and the livelihoods of those communities.

Metcash uses independent and internationally recognised certification and verification programs to support animal welfare, social compliance and environmental protection across high-risk products including our coffee, cocoa, palm oil and seafood supply chains. These programs are outlined as follows.

Certified, independently assured coffee and cocoa

As high value crops, coffee and cocoa are economically attractive to local communities. Expansion of these crops in low-income areas poses serious risks to workers' human rights and the environment due to inadequate regulation. To help address these risks, certification schemes such as Rainforest Alliance/UTZ and Fairtrade™ work within these communities and across industry to ensure fair prices for farmers, improve livelihoods and protect both the local environment and communities. These schemes also work toward providing acceptable working conditions for plantation workers and minimise the environmental impact of crop cultivation and harvesting.

We expanded our range with several private label products in the year that are Rainforest Alliance Certified, such as the new Rainforest Alliance certified Community Co coffee pods:





All single ingredient tea, coffee and cocoa products, and cocoa used in solid chocolate blocks, are to be independently certified to either Rainforest Alliance, Fairtrade or Cocoa Horizons by 2025. We aim to increase the use of certified and verified cocoa as an ingredient in our private label products.

Sustainably sourced palm oil

Palm oil is widely used globally and is found in a range of food, household and beauty products. High levels of demand bring greater risks of deforestation, peatland drainage and human rights issues faced by local communities and plantation workers. We are committed to sourcing certified sustainable palm oil and meeting the standards set out in the Metcash Palm Oil Policy.

Metcash is a member of the RSPO (Round Table for Sustainable Palm Oil), a collaborative forum supporting the production and use of sustainable palm oil in both food and non-food products. As members, we are committed to sourcing sustainable palm oil for private label products.

We have already achieved our 2025 target of all palm oil in our food products being certified according to the requirements of the RSPO. We continue to focus on providing improved clarity on the sourcing systems used (i.e. mass balance, segregated, identity preserved and book and claim), and are implementing a new product and ingredient database solution to help deliver this.

All palm (kernel) oil in non-food products and pet food is to support the production of RSPO sustainable palm (kernel) oil by 2028. This goal also applies to derivatives and fractions of palm (kernel) oil.

We have begun labelling our food and drink products containing palm oil with the statement: 'This product contributes to the sustainable production of palm oil'. Additionally, we specifically identify palm oil rather than using the generic term 'blended vegetable oils'.



Responsibly sourced seafood

All Metcash private label seafood is responsibly sourced, including our Community Co and Black and Gold frozen and canned seafood products. Our private label seafood lines are certified by either the Marine Stewardship Council, Aguaculture Stewardship Council, GLOBAL GAP or Best Aquaculture Practices.

We recognise there are potential environmental impacts associated with seafood production, including overfishing, by-catch and illegal fishing. Through our 'Responsibly Sourced Seafood Requirements' we aim to improve transparency for consumers. These include recognising a range of certification and assessment programs for farmed (aquaculture) and wildcaught seafood.



Example – Responsibly sourced Tuna – 'Fish Accumulation Device (FAD)

Australian fresh foods

We have an Australian-first sourcing policy to provide our independent stores and their customers with quality Australian-grown fresh produce whenever possible.

In FY23 100% of our Private Label fresh pork, chicken, beef, lamb, milk and eggs were Australian raised or grown.

We comply with country-of-origin labelling requirements, which makes it easier for customers to identify where a product and its ingredients are from.





Animal welfare

Our Animal Welfare Policy and Code of Practice sets out our expectations regarding the treatment of animals in our supply chain. It helps to ensure we source from farming operations that have a high standard of animal welfare and, where appropriate, hold animal welfare certification.

Our policy is based on the Five Freedoms:

- Freedom from hunger and thirst;
- Freedom from discomfort:
- Freedom from pain, injury or disease;
- Freedom to express normal behaviour; and
- Freedom from fear and distress.

Every new product line launched is assessed and approved by our subject matter experts for compliance with our requirements, which includes supply chain mapping and third-party certifications where appropriate.

In FY23 we advanced our responsible sourcing commitments by expanding our fresh protein offer, which included organic eggs, organic and free-range meats and higher-welfare, responsibly sourced chicken.









Responsibly sourced timber pulp and paper

Increasing global demand for timber products supports an industry of illegal and unsustainable logging in forests worldwide, causing widespread tropical deforestation, exploitation of labour and excessive chemical use.

Sustainable forestry chain of custody certifications, such as the Forest Stewardship Council (FSC) and the Program for the Endorsement of Forest Certification (PEFC) promote sustainable forestry management through independent third-party certification of pulp, paper and timber supply chains. Recycled content reduces the use of primary resources and helps to stimulate a circular economy.

Metcash requires relevant forest products to be responsibly sourced and certified to sustainable forestry standards. Metcash's private label non-food products containing timber derived materials, including wood, bamboo, pulp, cardboard and paper, will be compliant across all Private Label brands by 2025.

Healthier private label choices

We are working towards making healthier choices easier and more accessible for our private label customers via several initiatives including improving the nutritional profile of our products and better nutritional labelling.

In FY23 we started applying the Health Star Rating (HSR) system on all eligible private label products to help our customers make healthier food choices. Our goal is to complete the rollout of HSR on our entire product range by FY25.

We are active participants in the Australian Government's Healthy Food Partnership (HFP), which provides a mechanism for government, the food industry and public health organisations to work together to improve the health of all Australians. We are working towards meeting the HFP reformulation targets for nutrients of concern including salt (sodium), sugar and saturated fat reduction in nominated categories of Private Label food and beverages. This includes product reformulation across our sweet and savoury bakery products and snack foods.

For customers looking for nutritious food 'on-the-go' and 'food for later' we expanded our range of healthy convenience salads and meals, including plant-based options.

To cater for customers with food allergies and intolerances, we expanded our Community Co 'free from' range adding bakery lines to complement our gluten free biscuits, cereals and lactose free milk.

All Community Co food products contain 'No Artificial Flavours or No Artificial Colours' (NAFNAC) and we are working towards the entire Private Label food portfolio being NAFNAC by 2025. We identify this on-pack by labelling 'No Artificial Colours and Flavours' on-pack.

To further progress our health strategy, an internal working group has been set up to support our ambition of promoting and driving health across our Private Label ranges and validating our performance across this important metric.

Metcash actively takes part in the National Retail Association Health Nutrition Committee, where our Company is represented by our specialists in Nutrition, Brand Standards and Sustainability to keep involved and abreast of the latest food industry developments, initiatives and guidelines to improve our nation's health.





Free and Lactose Free









Supporting organic

In response to increasing customer demand we expanded our range of certified organic Community Co products in various fresh and long-life categories.



Product recalls

No Metcash Private Label products were recalled in the year.

We believe in supporting the local communities in which we operate and our greatest strength in being able to achieve this is our expansive retail network. Our independent retailers are embedded in their local communities and 'giving back' is instilled into their ethos. It is this contribution to society that makes our independent retailers a national treasure, and we are proud to be able to support them.

COMMUNITY AND CHARITIES

Our retailers support a multitude of local and national groups, including grassroots community and sporting organisations, local charities, local producers; and by also providing relief to locals in times of need. We are also able to make a significant impact Australia-wide through the scale of our retail network and our work with national charities, such as Foodbank and OzHarvest in food rescue.



IGA Community Chest

Every day, across the country, IGA Community Chest raises funds to support local community groups, charities, and other worthwhile causes. Shoppers at our IGA stores contribute to IGA Community Chest by purchasing certain products - with a portion of the sale price then made available to that store to provide funding back to that local community.

In 2022, there were ~1.400 individual donations to local communities and charities with a combined total of these donations at ~\$1.4m, with bushfire and flood victims, local hospitals and youth soccer clubs being just some of the many worthwhile recipients.

Since 2010, we have made over 25,000 donations totalling over \$37m to charities that have made a real difference in our local communities, and we are very proud to continue to support IGA Community Chest and the ongoing support it provides to local communities.

This year IGA also continued to partner with our longstanding national charities. These are charities that have a national presence yet offer grassroots localised support across Australia

- Special Olympics Australia; a charity we have supported for 31 years, which helps to empower people with disabilities to participate in sport. In total we have provided \$1.7m of support, including ~\$222k in FY23.
- McGrath Foundation: a partnership that has been in place for 14 years to fund breast cancer care nurses in the community. In total we have provided \$2.7m of support, including ~\$310k in FY23.
- St Vincent's (Vinnies); our 12-year partnership helps provide support for those struggling to pay for basic necessities like food, rent and bills. In total, we have provided \$4.4m of financial support, including \$1.1m in FY23.

Food rescue

We are proud of our long-standing national donor relationship with Foodbank - Australia's largest food relief organisation. Our involvement includes providing meals and essential grocery items, and assisting with free freight via our extensive distribution network. This enables us to repurpose and direct valuable items to those in need, keeping waste out of landfill.

In addition to Foodbank, we also partner with OzHarvest and Food for Change to help provide meals for those in need. We have seen an increase in demand for these services, with the combined support to these charity partners increasing 86.5% in 2022 to a total of 1.206.8k tonnes of food. This is the equivalent of providing more than 2.3 million meals to those in need.

Metcash also partners with FareShare, one of Australia's largest food rescue charities. The partnership focuses on providing food relief for regional and remote communities. In addition to food support, we use our logistical expertise and extensive network of independent retailers to facilitate the free transport of meals into regional and rural areas of Queensland.

We also worked with Cornetts, our multi-site supermarkets retailer in Queensland, who generously agreed to play a key role in providing food support to local charities and community organisations located close to its stores. Metcash's involvement with FareShare this year has provided over 95,000 meals, equivalent to 38,000kg of food, to regional charities throughout Queensland.

"These charities and the communities they assist would not have access to free. nutritious meals without the FareShare Metcash partnership."

- Marcus Godinho. CEO FareShare

Support for Indigenous business

Metcash has been involved in supporting First Nations communities since 1986 and has supported key groups across Northern Territory, Queensland and Western Australia primarily through our supply of goods to local community stores in remote areas.

One of the leading organisations we work with is The Arnhem Land Progress Aboriginal Corporation (ALPA). The ALPA Board reflects the communities of Arnhem Land, where it was formed, with Board members from Elcho Island, Ramingining, Croker Island, Milingimbi and Gapuwiyak.

ALPA currently runs 27 retail stores across Northern Territory. In addition to providing essential goods into remote communities, ALPA promotes economic independence for the community, through training, development and employment. As part of our engagement, Metcash also hosts students from ALPA communities into our facilities for work experience.

Disaster relief

In addition to the support provided through the Community Chest program, separate disaster relief was also provided to local communities hit hard by rain events in the second half of 2022

Floods across Australia's east coast in October 2022 affected communities in Victoria. New South Wales and Queensland. In line with our mission to reach communities where it matters. IGA raised a total of ~\$407k through our Rapid Response Plan, token sales and internal fundraising. All funds raised went to the Vinnies Flood Appeal.

IHG Emergency Relief Fund

Since 2020, IHG has donated \$330K to flood and fire affected communities via its Emergency Relief Fund.

As the La Nina weather pattern continued to impact the Eastern Seaboard of Australia in the second half of 2022, our Hardware team was once again ready to assist flood-affected communities. Rochester, a town in Northern Victoria, called on the IHG team for urgent assistance to access goods to aid the clean-up effort of the town. The local IGA also stepped in to distribute \$15k worth of donated cleaning items, as well as \$15k worth of fixtures and fittings, to help refurbish the devastated hardware store



IHG retail network drives community initiatives

The IHG network of joint venture and Company-owned stores play vital roles in their local communities. Approximately \$900k worth of support has been donated to local groups and individuals across five States, helping to build local facilities and support programs for mental health, food security, sporting clubs and community groups.

Liquor charitable donations

Throughout FY23, the Liquor network have made several donations totalling over \$30k to charities of choice, including OzHarvest, Children's Cancer Institute and several other charities and programs. The Pillar strongly encourages support of individual causes and retailer-led fundraising campaigns. For example The Bottle-O donated \$1,000 to the Winwood family in Tasmania, to support their grandson fighting childhood cancer.

IGA Locals Matter program

The IGA Locals Matter community program is all about thriving in the local community. In its fourth year, the program continues to provide educational material for members, including relevant content based on insights and trends in relation to healthy living, the environment and the community. Content provided to our ~85.000 members includes information on community initiatives, store promotions, tips and tricks on how to reduce food waste and how to live better lives (both physically and mentally), healthy recipe inspiration and a 'Food Waste Calculator' - designed to provide an understanding of the true cost of food waste.

This year we continued our partnership with nutritionists from The Biting Truth, providing our shoppers with factual and helpful information on how to lead healthy lifestyles. Content includes meal planning, nutrition FAQs and recipes with health considerations such as heart health, immunity and low glycaemic index.

Through partnering with our suppliers and third parties, we aim to connect with members to promote healthy living and healthy environments.

MODERN SLAVERY

Metcash responsible sourcing

Our responsible sourcing program continues to play a crucial role in supporting our approach to human rights and the management of risk to workers in our supply chain.

The Metcash Environmental, Social and Governance (ESG) Council, chaired by the Group CEO, serves as our primary mechanism to ensure effective governance of modern slavery. Additionally, the Audit, Risk and Compliance Committee takes responsibility for overseeing ESG risks, including modern slavery, by integrating them into our wider enterprise risk framework.

In our FY22 Modern Slavery Statement (released October 2022) we provided detailed information about our program and the actions we have taken to minimise the risks of modern slavery in our supply chain and operations. We continued to expand and progress our work in this area in FY23, as well as assess the effectiveness of our initiatives. Our FY23 Modern Slavery Statement is due for submission by 31 October 2023.

This year we undertook a new and comprehensive review of our association with modern slavery risks in high-risk categories, aligning our efforts with the United Nations Guiding Principles (UNGP) framework. This review has allowed us to better understand where we may cause, contribute to, or be directly linked to, risks of modern slavery.

We also refined the responsibilities of our team members to ensure a better understanding of each person's role in identifying and mitigating modern slavery risk. For our merchandise managers and the non-trade procurement team, tailored workshops were conducted to build the awareness and capability of our team members across each pillar. We also provided modern slavery online training to our independent retailers, team members and high-risk suppliers.

We engaged with our suppliers to create action plans to address observations from scheduled audits that had the potential to restrict workers' rights, and we implemented a new tracking tool to record the actions taken for business-critical and critical non-conformances.

We further advanced our remediation process, clearly defining the responsibilities of key people and supporting a victim-centric framework. This ensures that our actions prioritise the needs and wellbeing of potential victims of modern slavery.

The year also included launching the NAVEX grievance service as a support tool for our wider supply chain. This mechanism provides workers with access to a hotline should they require support or an avenue by which their concerns can be heard and addressed.

Other key achievements in FY23 include:

- Continued to utilise third-party certification requirements and/or eco labels that verify human rights in supply chains for new supplier onboarding. Currently, all active private label suppliers to Metcash Food are members of Supplier Ethical Data Exchange (SEDEX), Business for Social Compliance Initiative (BSCI) or the Fair Farms initiative.
- Successfully encouraging increased completion of Supplier Assessment Questionnaires that help the evaluation of their risks. The completion rate was over 70% across all pillars and over 90% in the Food pillar.
- Increased the number of team members that have completed the online training module to 537 (FY22: 104).
- 195 social audits were conducted in the Food pillar supply base via the SEDEX platform. All critical corrective actions either have a remedial action plan in place or are waiting for the certification body to confirm that the actions have been satisfactorily completed.

Industry collaboration

We have continued to collaborate with industry partnerships to help accelerate minimising the risk of modern slavery across the industry. Our partnerships include:

- National Retail Council Modern Slavery Committee: Includes collaborating with leading Australian companies in FMCG and consumer durables industries to address emerging issues, facilitate peer collaboration; and enhance modern slavery due diligence, remediation, traceability, and supply chain transparency. The committee also addresses legislative changes and industry trends, and aims to reduce compliance burdens for shared suppliers.
- FairFarms: We have a requirement for our private label suppliers to be members of FairFarms, SEDEX or an equivalent industry recognised scheme.

We also continue to identify and assess other partnership opportunities with industry groups, NGOs, trade unions and research academics to assist in the ongoing fight against modern slavery.

We remain committed to the continuous improvement of our modern slavery program across the key areas of governance and due diligence; assessing the effectiveness, policies and processes, supplier engagement and training.

In anticipation of the Attorney-General's recommendation for amendments to the Modern Slavery Act 2018, we have performed a readiness assessment against the proposed elements of the recommendation in preparation for any potential new requirements and their impact on our business supply chain and operations.

Network Updates

FOOD NETWORK ESG PROGRAM

The IGA Social Responsibility vision is defined as:

"Together we are a force for good in our local communities. We will continue to actively address our environmental, social and community impact and inspire our shoppers to make informed choices."

The Metcash Food team, in collaboration with the IGA National Retail Council (NRC), have co-defined the IGA Network Social Responsibility vision and focus areas. While the network is independently owned and operated, the NRC strives to achieve common goals and sharing best practice for consistency across the network.

This vision translates into the three pillars of Our Planet, Our People and Our Community which include nine key focus areas for the IGA network as shown in the graphic below:



In 2023 we made progress in each of the three areas of aspiration, with battery takeback and food rescue expanding significantly since last year.

In addition we notified the network of free energy audit programs, Group green energy sourcing deals and shared learnings on the impact of refrigeration and lighting upgrades. New guidelines for store refurbishment and new stores were also developed to advise independent store owners of environmentally sustainable options for equipment selection and operation.

We continue to provide information, assets and toolkits to assist retailers in each of the three areas:

- Food waste minimisation via the Food for Change and Gander partnerships, providing food waste self-assessments, tips for food waste reductions
- Sustainable range guide catalogues for retailers
- Modern Slavery training
- State-by-State single-use plastics phase-out support for retailers
- EcoBatt battery recycling
- Access to and encouragement of defibrillator uptake
- Providing mental health assistance to the network through Metcash's Employee Assistance Program

Network Updates continued

HARDWARE

As the leading independent hardware retailer, we service the everyday Australian and feel that it is vital to do our part in supporting both current and future generations in building a sustainable, secure and prosperous future.

To carry out this vision, the Hardware pillar developed a series of ambitions and an action plan to help communicate and guide its sustainability commitments. This action plan, known as the 2025 Hardware Sustainability Plan, outlines the pillar's targets, initiatives, and alignment with the United Nations Sustainable Development Goals. This plan was developed in collaboration with an ESG Working Group comprised of store members. The working group continues to meet quarterly to guide the plan's implementation. This plan outlines three key principles to guide business activities towards a better tomorrow: Caring for Our Environment, Strengthening Our Communities and Focusing on Our People.

Of particular note, an ESG stand featured at this year's annual Independent Hardware Group Expo held in February 2023. Through an informative seminar and dedicated sustainability stand, opportunities to improve sustainability in stores were presented. This initiative improved the visibility of sustainable actions within the network.

Through the execution of the 2025 Hardware Sustainability Plan we have also successfully:

- Supported stores in the product stewardship of batteries, plant pots, timber offcuts and paint/paint packaging.
- Added sustainability items to the Hardware Standards Assessment – an assessment used by our store team to ensure stores are meeting brand standards.
- Included sustainability as an agenda item at 'Village Meetings' to receive feedback on store concerns, educate stores on available opportunities and facilitate peer-to-peer learning.
- Developed a sustainability resource page on the store intranet covering waste management, energy efficiency, product stewardship and employee assistance.
- Provided stores with access to energy assessments, store defibrillator purchases and employee mental health assistance through the Metcash Employee Assistance Program.

