

CREATING A SUSTAINABLE FUTURE

SUSTAINABILITY
REPORT 2024

Metcash



MESSAGE FROM THE GROUP CEO

Welcome to Metcash's Sustainability Report for 2024, which marks the second year we have reported with reference to the Global Reporting Initiative (GRI) standards. I am pleased to share with you the latest highlights and progress in our journey towards creating a sustainable future.



We have always valued independent third-party measures to verify our progress, and I am happy to report that Metcash has achieved its highest-ever result under the Dow Jones Sustainability Index. This year, Metcash ranked in the 89th percentile, up from the 87th percentile in the previous year, demonstrating our ongoing commitment and progress to responsible business practices and transparency.

Our dedication to climate action remains. We met our interim 2030 emissions target for FY24, reducing our emissions by 5.2% from the previous year, bringing our total emissions down to 69,829 tCO₂e. This achievement underscores our efforts to reduce our carbon footprint and progress towards our 2040 net-zero emissions target for Scope 1 and Scope 2. In Scope 3, we have expanded our data capture and methodologies across greenhouse gas protocol categories, including the end-of-life treatment of sold products.

Our commitment to reducing waste at our controlled sites is stronger than ever. We continue to work towards our waste-to-landfill diversion target of 80% by 2028, achieving an interim rate of 65.9% in FY24. Metcash, in partnership with our independent network, was awarded a \$500,000 Bin Trim grant from the NSW Government to assist our retailers to divert 35,000 tonnes of waste from landfill each year.

Our People are our greatest asset. We remain dedicated to creating an inclusive and equitable workplace, maintaining a neutral gender pay gap of ~1% amongst our employees. We were recognised by Equileap for our inclusive practices and policies and were ranked in their Top 100 global companies for gender equity. We also achieved our gender diversity target of 40:40:20, with notable representation across various leadership levels, including 50% female representation on the Metcash Board and ~50% on the Group Leadership Team.

Our focus on safety has yielded significant results. Our Total Recordable Injury Frequency Rate (TRIFR) showed a 21% year-on-year decrease, reflecting our continuous efforts to ensure a safe working environment and our revised Safety, Health and Environment strategy. We also saw improvements in our employee engagement survey results, with a score of 58% up from 57% in FY23.

Sustainable sourcing remains high on our ESG agenda. We are on track for achieving our 2025 responsible sourcing goals for palm oil, seafood, cocoa, paper-based products, animal welfare, eggs and coffee. Our focus on sustainable supply chain innovation also extends to our packaging. This year we updated our ready meal trays to be fully recyclable, added 55% recycled content, and phased out oxo-degradable plastic and expanded polystyrene.

We were also the first supermarket business to join the National Plastics Recycling Scheme (NPRS), supporting a community-wide effort to recycle soft plastics. This initiative aligns with our broader sustainability goals and supports national targets for increased material recovery and an improved circular economy.

Championing Successful Independents in support of thriving local communities is at the heart of what we do. Through partnerships with Foodbank, OzHarvest, and Food4Change, we provided over 2.6 million meals to those in need in FY24. Our IGA stores contributed over \$2.7 million to approximately 1,600 organisations this year as part of the IGA Community Chest program.

Our fight against modern slavery continues to be a priority. We are committed to ensuring our supply chains are ethical and are actively working to address modern slavery risks through continuous improvement in governance, policy and monitoring. Our efforts were recognised by the independent Modern Slavery Statement Disclosure Quality assessment by Monash University, where we received an improved 'B' rating.

In preparation for the anticipated introduction of the Australian Sustainability Reporting Standards (Australian Accounting Standards Board S2 *Climate Disclosures*), we completed a review of the standards and established a cross-functional working group to address any gaps. This will ensure compliance by FY26 and provides an opportunity to synchronise environmental performance data with Metcash's financial year data.

Our sustainability efforts in FY24 have led to continued progress across the board, creating a positive impact on our people, the planet and the community. I am optimistic about the path ahead and appreciative of the collective efforts of our team members and partners in driving this change.

I trust you find this report informative, and I am grateful for your ongoing support for our vision of creating a sustainable future.

A handwritten signature in black ink, appearing to read 'Doug Jones'.

Doug Jones
Group CEO



is Australia’s leading
wholesale distribution
company, with revenue
(including charge-through)
of ~\$18.2bn in FY24

~6,500

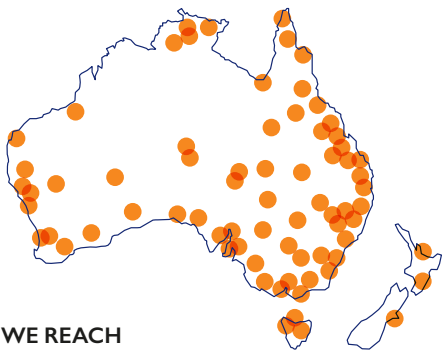
BANNERED RETAIL STORES
ACROSS FOOD, HARDWARE
AND LIQUOR

~95,000

NON-BANNERED STORES
AND CUSTOMERS

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WE REACH
95%
OF AUSTRALIANS



OUR PURPOSE

CHAMPIONING
SUCCESSFUL
INDEPENDENTS

in support of

THRIVING LOCAL
COMMUNITIES

to create

SUSTAINABLE
SHAREHOLDER
VALUE

OUR VALUES

We believe: 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.

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.

2024 HIGHLIGHTS

OVERALL



DOW JONES SUSTAINABILITY INDEX (DJSI)

89th percentile
▲ from 87th in FY23

MODERN SLAVERY STATEMENT DISCLOSURE

‘B’
rating

ACHIEVED INTERIM 2030 EMISSIONS TARGET FOR FY24

5.2%
▼ Decrease from PCP (Scope 1 and Scope 2)

PEOPLE



TOTAL REPORTABLE INJURY FREQUENCY RATE (TRIFR)

14.3
▼ 21% improvement on PCP

GENDER EQUALITY

2024 Equileap
Top 100 companies

ENGAGEMENT SURVEY RESULTS

58% **70th**
Engagement score Percentile internationally

► See more on page 22

PLANET



ACHIEVED INTERIM 2030 EMISSIONS TARGET FOR FY24

69,829 tCO₂e

WASTE-TO-LANDFILL DIVERSION GOAL

65.9%
Target of 80% by 2028

NSW BIN TRIM GRANT

\$500k

► See more on page 8

COMMUNITY



MEALS DONATED

>2.6m
Via Foodbank, OzHarvest and Food4Change

IGA COMMUNITY CHEST DONATIONS

\$2.7m

BATTERY RECYCLING SCHEME

>350 tonnes
Recycled since 2021

► See more on page 27

COMPANY INITIATIVES

GOVERNANCE

Metcash's ESG governance structures and risk frameworks exist to integrate ESG and climate risk considerations into its broader corporate strategy and decision-making processes, providing oversight of ESG priorities and projects at various levels of the organisation and across all pillars.

To oversee the development, execution and effectiveness of Metcash's ESG approach, the ESG Council is chaired by the Group CEO and includes other members of the Group Leadership Team (GLT). The council meets quarterly to align the business' ESG priorities with the broader Group's strategy.

The ESG Council also consists of representatives from various key business units throughout the organisation, including Merchandise, Network Liaison, Property, Sustainability, Marketing, Finance and People and Culture. Each team's role and responsibility within the ESG Council is outlined below:

Department	Responsibility	Pillar/Function
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	Corporate
People and Culture	Our people, diversity and inclusion and Indigenous engagement	Corporate

The Safety and Sustainability Committee was established on 1 May 2023 to assist the Board in discharging its duties and responsibilities in respect of Metcash's safety, environmental and sustainability strategies, policies and practices. This includes review of targets, trends, performance, reviews and investigations as well as reporting and disclosures. The Committee is provided with quarterly written updates on progress across our ESG initiatives and targets.

Metcash's updated ESG governance structure for FY24 and beyond is shown below:

METCASH BOARD - SAFETY AND SUSTAINABILITY COMMITTEE

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.

REPORTING UPDATES

GLOBAL REPORTING INITIATIVE UPDATE

For the second year, Metcash has reported in reference to the GRI standards, reflecting its commitment to ESG transparency. Throughout FY24, the business continued to review opportunities to expand its disclosures across the material topics of:

- Community Engagement and Impact
- Responsible Procurement
- Waste Management, Recycling and Circular Economy

In FY25, Metcash will report in accordance to the GRI standards, completing two years of initial reporting with reference to the standards.

On the following page you can find Metcash's GRI materiality matrix, which has been prioritised by Metcash's key stakeholders.



Campbells Wholesale, Eagle Farm, OLD

[illegible]

COMPANY INITIATIVES CONTINUED

AUSTRALIAN SUSTAINABILITY REPORTING STANDARDS

Metcash is required to report in accordance with the anticipated Australian Accounting Standards Board (AASB) S2 *Climate Disclosures*. Should the draft standards pass into law, Metcash's first reportable period will be FY26 (reporting year 1 May 2025 to 30 April 2026). The Company has reviewed the new standards and prepared a gap analysis against Metcash's existing disclosures. The gap analysis has been used as the basis for preparing a 'roadmap' of work required for ensuring compliance in FY26.

The Company's voluntary adoption of the Task Force on Climate-Related Financial Disclosures (TCFD) and its reporting with reference to the GRI have provided a solid foundation of disclosures in the areas of coverage under the ASRS.

Metcash has also commenced work on synchronising its environmental reporting with its financial year, which is a requirement of the draft standards.



Metcash is focused on reducing waste to landfill across its distribution centres including Campbells Wholesale sites

OUR PLANET



Crestmead, QLD DC

5.2%

REDUCTION IN SCOPE 1
AND 2 EMISSIONS. ON TRACK
TO ACHIEVE 2030 TARGET

ON TRACK TO ACHIEVE

100%

RENEWABLE
ENERGY FROM
1 NOVEMBER 2025

65.9%

DIVERSION FROM
LANDFILL ON TRACK FOR
80% DIVERSION BY 2028

Net Zero Scope 1 and 2 Emissions Target by 2040

As Australia's leading wholesaler, Metcash plays a crucial role in reducing environmental impacts throughout its operations. Metcash actively collaborates with retailers, communities and suppliers to minimise environmental impacts across its supply chain.

This year marked significant progress for Metcash in environmental and climate-related disclosures. Metcash achieved a 5.2% reduction in Scope 1 and 2 emissions against FY23, and remains on track to achieve 100% renewable energy from 1 November 2025.

The Company successfully met its interim emissions targets by implementing energy efficiency measures and expanding solar power across its distribution centres. Additionally, Metcash has updated its Scope 3 emissions calculations with more accurate data and increased collaboration with suppliers, engaging directly with them on data-sharing and their initiatives to reduce emissions.

Metcash remains committed to its goal of reducing Greenhouse Gas (GHG) emissions by 42% by 2030, in line with the 1.5°C scenario set by the Paris Agreement. Metcash's efforts align with the framework of the Taskforce for Climate-related Financial Disclosures (TCFD), ensuring transparent and accountable climate governance.

Metcash's commitment to emissions and climate is one of continuous improvement and transparency as the Company works to build a more sustainable future.

OUR PLANET CONTINUED

ENERGY CONSUMPTION AND EMISSIONS

For the purpose of tracking Scope 1 and 2 emissions, in accordance with the *National Greenhouse and Energy Reporting Act of 2007* (NGERS)¹, Metcash sets its operational boundary to include any entity over which it or its subsidiaries maintain operational control. Metcash has operational control over 206 sites including distribution centres, retail establishments, office buildings, storage facilities and stores operated under joint venture arrangements. Driven primarily by acquisitions across the Hardware pillar, the Company's total number of operationally controlled sites has increased by 16, up from 190 in FY23.

Metcash's base year for emissions was its FY20 financial year (FY19 NGERS for Scope 1 and 2), which marks the year the Company first started measuring its emissions against a science-based aligned target (SBT) of a 42% reduction in Scope 1 and 2 emissions by 2030.

Metcash measures its carbon emissions following the standards of the GHG Protocol, and submits these in an Emissions and Energy Report to the Clean Energy Regulator annually. For the fiscal year 2024, Metcash reported emissions of 69,829 tonnes of CO₂ equivalent. This represents a 5.2% decline from the previous year's 73,659 tonnes, achieving a reduction exceeding its interim target of 70,999 tonnes by 1.65%.

Outlined below are Metcash's historical emissions provided under its NGERS submissions:

Table 1 – Metcash's Scope 1 and 2 metrics

Year	Scope 1 (tCO ₂)	Scope 2 (location-based tCO ₂)	Scope 1 & 2 (location-based tCO ₂)	Scope 2 (market-based tCO ₂)	Scope 1 & 2 (market-based tCO ₂)	Coverage (%)	Non-Renewable Energy (kWh)	Renewable Energy (kWh)
FY20*	14,110	71,132	85,242	89,168	103,278	100	89,356,066	–
FY21	15,055	66,180	81,235	83,695	98,750	100	83,739,892	–
FY22	14,576	63,130	77,706	82,417	96,993	100	82,095,780	396,078
FY23	13,225	60,434	73,659	76,441	89,666	100	80,769,206	1,127,842
FY24	15,446	54,383	69,829	75,056	90,502	100	82,478,727	1,378,152

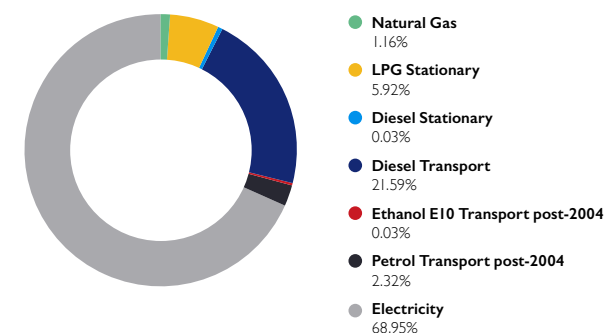
* FY20 represents Metcash's baseline year (equivalent to the reporting of NGERS 19).

In terms of energy, Metcash's consumption of non-renewable energy increased to 430,632 GJ, up 5.4% on the previous year, with grid electricity usage increasing 2.1% to 82,479 MWh, whilst total area under operational control increased by 6.1%, up a total of 69,367 m². Our grid energy utilisation per m² improved 3.7% to 0.0679MWh/m².

Metcash will re-baseline its Scope 1 and 2 emissions in FY25, due to the material addition of the emissions associated with the acquisition of several entities, including Superior Foods, Alpine Truss and Bianco Construction Supplies in FY24.

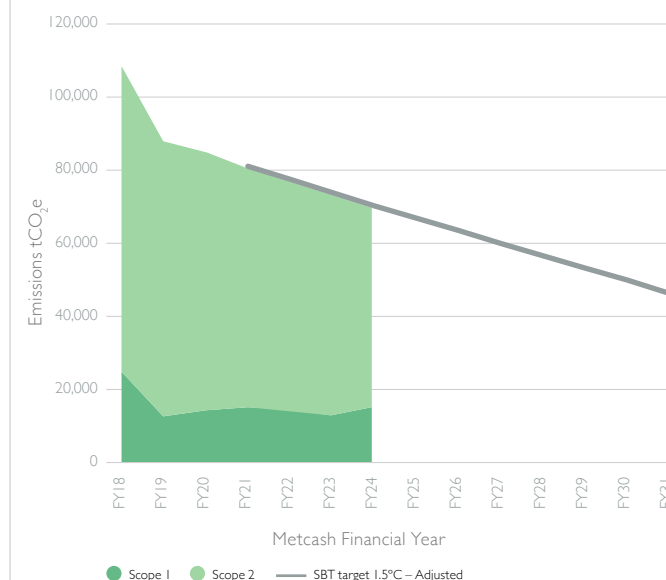
The addition of these facilities will have a >5% impact on Metcash's Scope 1 and 2 emissions.

Metcash's energy consumption within the organisation from non-renewable energy sources (GJ)



Scope 1 and 2 emissions reduction

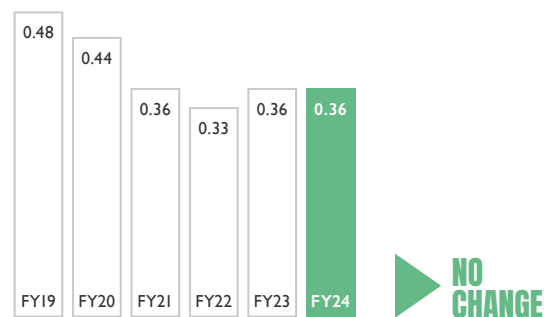
Tracking in line with 2030 SBTi aligned target



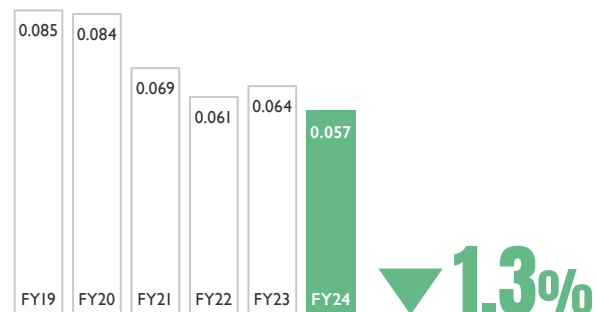
1. Metcash emissions follow the year reportable under NGERS. FY24 data is in reference to NGERS 23 reporting period; 1 July 2022 to 30 June 2023.

OUR PLANET CONTINUED

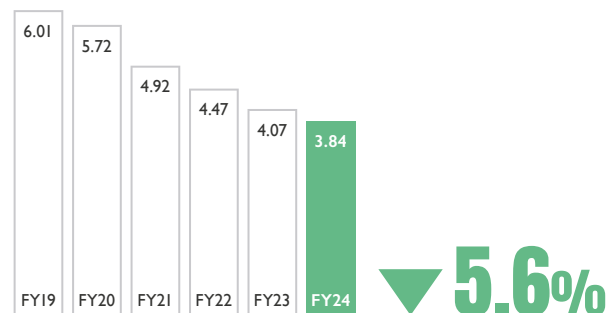
Metcash's energy intensity by area (GJ/m²)



Metcash's Scope 1 and 2 carbon intensity by area (tCO₂e/m²)



Metcash's Scope 1 and 2 carbon intensity by revenue (tCO₂e/\$m)



CARBON PRICE

Metcash continues to monitor the development of carbon pricing across the jurisdictions in which it operates and those of its suppliers. This year Metcash's carbon price model was modified to allow more flexibility in accounting for different projections in cost of offsets over time, including forward estimates in Australian Carbon Credit Units (ACCUs).

EXTERNAL VERIFICATION OF EMISSIONS

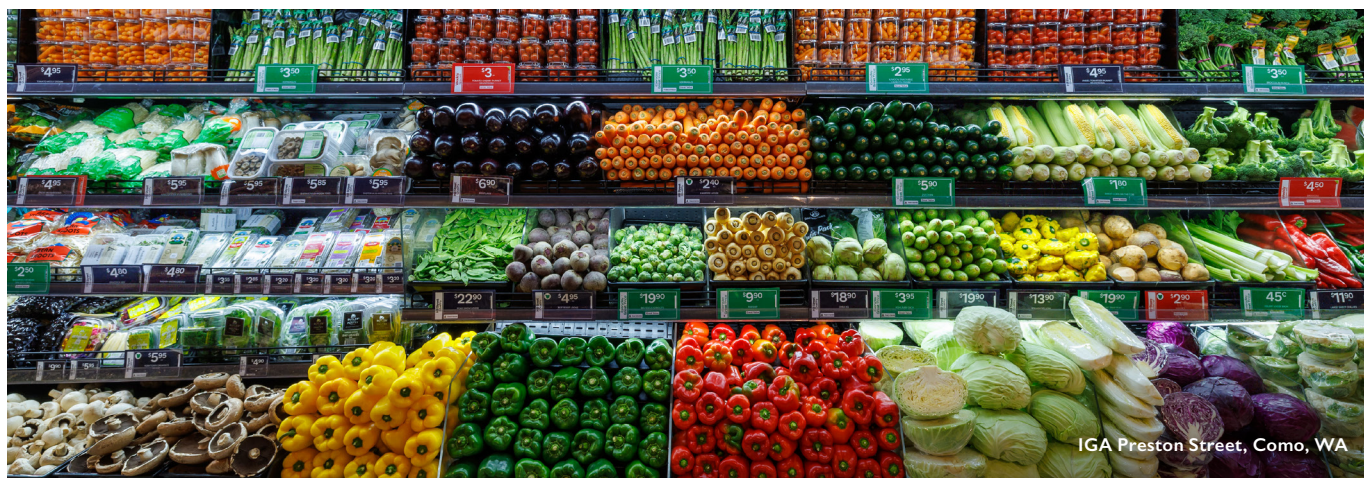
As part of Metcash's Sustainable Linked Loan requirement, the Company engaged Deloitte Australia to conduct an audit of its NGRS Scope 1 and 2 emissions data. This year marks the third year Metcash has received assurance. As per the current AASB S2 *Climate Disclosures* recommendations, our Scope 1 and 2 emissions inventories will receive 'reasonable assurance' in FY26.

SCOPE 3 EMISSIONS

This is Metcash's third consecutive year of reporting Scope 3 emissions, building on the initial disclosure of baseline emissions for FY20. In FY24 the Company has improved the amount of actual data used in Scope 3 calculations. These improvements have occurred primarily across Category I – Purchased goods and services, and Category II – Use of sold products.

Metcash's approach to Scope 3 is guided by NSW Government's Department of Planning, Industry and Environment. The company's Scope 3 modelling utilises a combination of primary data, both actual and extrapolated, and secondary data from industry averages. In anticipation of the upcoming ASRS standards, Metcash has aligned some Scope 3 emissions data to the Company's FY24 reporting period of 1 May 2023 – 30 April 2024, as seen across Metcash's waste and water data.

To improve transparency across the Company's Scope 3 inventory, and to align with other reportable indices, the Scope 3 data is now presented in line with the GHG Protocol categories outlined on the following page.



OUR PLANET CONTINUED

GHG Protocol Reference		Metcash Data Streams
Category 1	Purchased goods and services	<ul style="list-style-type: none"> Office supplies Professional services Postage and packaging ICT services and equipment Production of traded goods (purchased goods and services) Operational emissions (Scope 1 & 2) of suppliers of goods traded by Metcash
Category 2	Capital goods	
Category 3	Fuel and energy-related activities	<ul style="list-style-type: none"> 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
Category 4	Upstream transportation and distribution	<ul style="list-style-type: none"> 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
Category 5	Waste generated in operations	<ul style="list-style-type: none"> Water supply and wastewater treatment Operational waste
Category 6	Business travel	<ul style="list-style-type: none"> Business travel (inc. flights, accommodation, taxi)
Category 7	Employee commuting	<ul style="list-style-type: none"> Staff commute Staff working from home
Category 8	Upstream leased assets	
Category 9	Downstream transportation and distribution	<ul style="list-style-type: none"> Transport of goods between Metcash's distribution centres and retail stores (Metcash-operated and external) Emissions released from combustion of liquid fuels other than petroleum oils or gases – transport energy purposes
Category 10	Processing of sold products	
Category 11	Use of sold products	<ul style="list-style-type: none"> Sale of traded goods (use of sold products) – operational emissions (Scope 1 & 2) of external retail stores selling Metcash's goods Estimated emissions associated with the consumer related emissions from processing of purchased goods
Category 12	End-of-life treatment of sold products	<ul style="list-style-type: none"> Estimated emissions from the waste disposal and treatment of sold products
Category 13	Downstream leased assets	
Category 14	Franchises	
Category 15	Investments	

The following advancements have been made in the capture of Scope 3 emissions in FY24:

- Worked with key suppliers in the supply chain and external consultants to refine the Company's understanding of Category 11 – Use of sold products emissions.
- Included estimations for GHG Protocol Category 12; and enhanced Category 11 using Carbon Disclosure Project (CDP) industry-level data for the food, beverage and tobacco sectors.
- Included estimates for Food and Liquor pillars.
- Increased the accuracy of supplier-related upstream Scope 3 emissions by broadening coverage through research into their associated upstream emissions.
- Covered 55% of inbound warehouse products by spend, achieved through increasing the actual amount of upstream emissions used.
- Incorporated sea freight emissions into upstream freight inventory across most pillars.
- Expanded downstream road freight emissions to include Hardware.
- Inclusion of upstream road freight emissions for the Hardware pillar.

Metcash's Scope 3 analysis does not include the embodied carbon of traded goods.

Scope 3 organisational emissions represent 5.1% of Metcash's supply chain carbon footprint. The majority of these emissions stem from internal corporate activities, such as procuring non-trade goods and services. In total, Metcash's organisational emissions across Scope 1, 2 and 3 represent 9.7% of the Company's total combined Scope 1, 2 and 3 emissions. The remaining 90.3% of emissions are attributed to upstream and downstream activities.

Metcash's Scope 3 emissions breakdown by GHG Protocol category can be found on the following page.

OUR PLANET CONTINUED

Metcash Scope 3 Breakdown (tCO₂e)

CATEGORY I
PURCHASED GOODS AND SERVICES

932,185

CATEGORY 5
WASTE GENERATED
IN OPERATIONS

7,880

CATEGORY 9
DOWNSTREAM TRANSPORTATION
AND DISTRIBUTION

61,169

CATEGORY 3
FUEL AND ENERGY-RELATED
ACTIVITIES

9,094

CATEGORY 6
BUSINESS TRAVEL

2,007

CATEGORY 11
USE OF SOLD PRODUCTS

326,943

CATEGORY 4
UPSTREAM TRANSPORTATION
AND DISTRIBUTION

69,908

CATEGORY 7
EMPLOYEE COMMUTING

6,371

CATEGORY 12
END-OF-LIFE TREATMENT
OF SOLD PRODUCTS

24,627

The following assumptions and factors were applied during the calculation of 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 Professional services were extrapolated due to unavailable or incomplete 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 extrapolated 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.

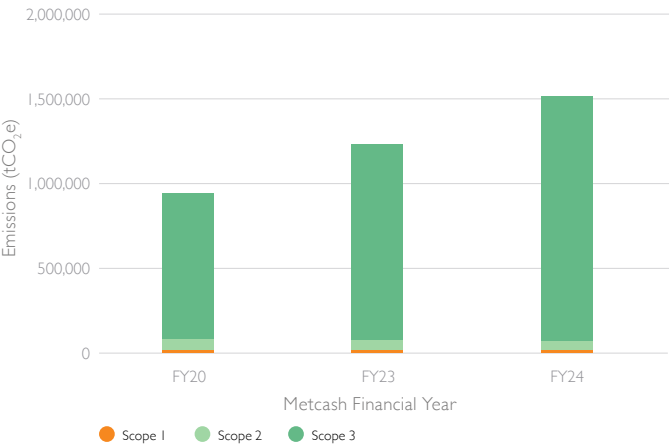
The emissions sources from upstream logistics share similar characteristics to the emissions sources from the downstream logistics. These are:

- 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. This features some estimated data.
- 6. Due to the lack of available data from upstream logistics, the upstream emissions are considered equivalent to downstream logistics emissions, with an uplift factor of 20% applied.

OUR PLANET CONTINUED

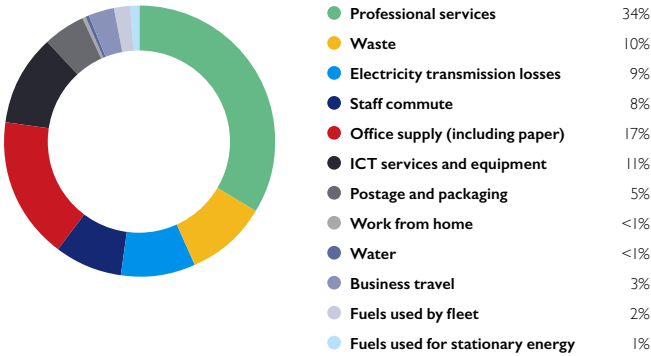
7. There is a blend of reporting periods used in Scope 3 calculations. Data used in Scope 3 Organisation calculations is from FY24. Scope 1 and 2, Scope 3 Downstream and Scope 3 Freight data aligns with the NGERS reportable period of July 2022 – June 2023. Scope 3 upstream is extrapolated using publicly available datasets from varying reportable periods.

Metcash Scope 1, 2 and 3 emissions change

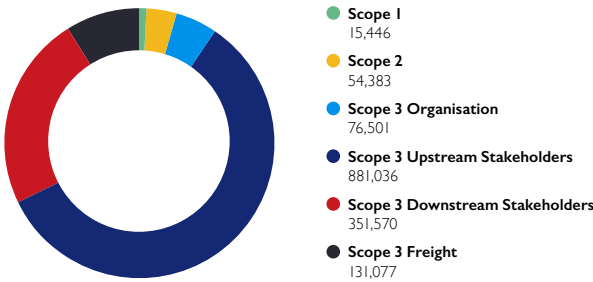


The graph above shows a continual decrease in Metcash's Scope 1 and 2 combined emissions. Scope 3 emissions have increased in line with the improvements of the Company's data collection methodologies.

Scope 3 organisation emissions (tCO₂e)



Metcash supply chain emissions (tCO₂e)



OUR PLANET CONTINUED



IGA plus liquor, Cockatoo, VIC

In FY24, the Company's Scope 3 inventory has seen significant increases in accuracy through targeted projects focusing on GHG Protocol Categories 11 and 12, in addition to expanding on types of freight measured in Category 9. In FY25, workstreams will be established that allow further refining and increased data accuracy for GHG Protocol Category 11 – Used of sold products, through the utilisation of global Life-Cycle Assessment (LCA) studies.

EMISSIONS REDUCTION ACTIVITIES

The Company's Energy Steering Committee, formed in FY23, has accelerated energy and emissions reduction initiatives. These initiatives included improvements at Metcash's major distribution centres in Huntingwood and Crestmead.

PROPERTY

At Metcash's Huntingwood, NSW facility, refrigerated panels were replaced resulting in a ~7% reduction in site energy consumption. Further property initiatives included the rollout of HVAC efficiency awareness and training across the Company's property portfolio, HVAC tunings at the Crestmead, QLD DC, including setpoint adjustments and reductions in supply airflow rates.

Additional efficiency improvements are planned for the Huntingwood DC's refrigeration control tuning and the Crestmead, QLD DC's lighting controls.

The Campbells Darwin, NT site is set to implement a state-of-the-art refrigeration system using natural refrigerants, which is expected to save approximately 700,000 kWh per annum, the equivalent of 378 tCO₂e.

Currently, only 5% of Metcash's operationally controlled sites have solar installations. The Company has established a Solar working group which has identified and commenced multiple solar projects across the portfolio of sites, targeting those that have the greatest potential to reduce grid electricity consumption. Metcash anticipates further solar installations across the Campbells network and at some of its Mega DCs over the short to medium term.

During the reportable NGERs 23 period, the Company's solar output increased to 1378 MWh, up 22% from last comparable NGERs year. This increase was largely due to the installation of a 782kW system at the Huntingwood DC.

FLEET

Fleet emissions represent 10.3% of Metcash's direct Scope 1 and 2 emissions. Most fleet services used for business operations are provided by third parties and are categorised as Scope 3 emissions. Metcash and its delivery partners are committed to finding further emissions improvements, both on route and through space optimisation.

Metcash now operates ~16% of its fleet under the Euro 6 emissions standard or as hybrids, with a further ~10% anticipated to be transitioned to Euro 6 in FY25. The Company is also trialing a fully electric delivery truck with third-party providers.

Following the acquisition of Superior Foods in June this year, Scope 1 fuel emissions are expected to increase substantially in FY25 due to Superior's extensive fleet of refrigerated trucks used in its foodservice distribution operation.

OUR PLANET CONTINUED

CLIMATE

GOVERNANCE AND STRATEGY

The Company's Climate Change Risk and Opportunities register continues to be an important tool in the monitoring of exposure to climate risk.

The increased frequency and severity of acute physical climate events poses the most significant threat to Metcash's operations, while no transition risks are currently considered high risk.

With the assistance of external specialists, the Company identified a number of areas of exposure in the supply chain that require attention. These include cold chain products' exposure to extreme heat which may affect the products' shelf life; floods and bushfires affecting distribution routes for rail and truck freight; and a range of additional extreme weather events that can damage key assets such as DCs. These risks, alongside higher insurance premiums, remain the most salient to Metcash.

With input from key internal and external stakeholders, together with the ESG Council, the organisation has identified the most pressing physical and transitional climate risks affecting operations across its Food, Liquor and Hardware businesses. Data collection, particularly the expanding understanding of Scope 3 emissions, remains a key focus for helping the Company both identify and effectively manage its exposure to climate risk.

Sustainability reporting initiatives are currently supported by Envizi and Resource Advisor. Metcash continues to focus on improving data governance and is currently implementing a new incident and compliance system. This is expected to create efficiencies in integrating climate risk information into the overall risk response approach and business decision making. Key sustainability metrics to be monitored and assessed through this platform include energy and emissions, waste and recycling, human rights and modern slavery, and nature and biodiversity.

Further information on climate governance can be found in the Governance and Reporting section on page 5 of this Report.

RISK MANAGEMENT

The Company's risk profile and risk appetite settings were reviewed and updated in relation to FY24.

This included expanding site-specific climate risk registers, enabling a more sophisticated understanding of the general and climate-related risks associated with infrastructural assets. There are actual examples of Metcash's distribution centres being impacted by extreme weather events, and the frequency and severity of these events are predicted to increase as global average temperatures continue to rise. This necessitates an ongoing commitment to understanding and mitigating these risks.

Metcash continues to work on developing site-specific risk registers which will include risks, enabling a more sophisticated understanding of the variety of risks associated with infrastructure assets. Our guidance document (produced in FY23) recommends an annual assessment of climate risks and mitigating controls to ensure the site-based risk register is relevant and up to date. It also prescribes best practices for climate risk reporting, ensuring alignment across the distribution network to produce a cohesive overview of exposure to climate events. This enables a more comprehensive view of the most prominent risks that the organisation faces.

Accounting for the impact of climate risk on specific commodities and supply chains is also an important component of de-risking Metcash's operations. The Company continues to monitor which commodities are most at-risk, which have been identified in facilitated workshops with the pillars. These strategies can be broadly categorised into the following three responses: diversification, substitution, and supplier screening mechanisms.

DE-RISKING KEY COMMODITIES

This year Metcash began an in-depth assessment of effective de-risking options for key commodities as part of its commitment to align with the Taskforce for Climate-related Financial Disclosures.

An independent expert report conducted in 2022 identified commodities that are financially material or strategically important to the organisation and deemed vulnerable to climate change, primarily due to climate variability. This was followed by the preparation of a Metcash "De-risking Key Commodities" report that expanded knowledge on the Company's climate risks impacting products in its value chain. It also led to updated de-risking options, including commodity substitution, diversified sourcing and working with suppliers on supply-chain resilience.

Consideration of the Report led to the conclusion that the Company needs increased traceability across products, allowing for greater transparency of sourcing practices. Current limitations in collecting comprehensive data on climate impacts on commodities and all potential substitutions make this difficult, however Metcash remains focused on initiatives to better manage climate risk and strengthen value chain resilience.

OUR PLANET CONTINUED

METRICS AND TARGETS

Australia is particularly susceptible to the impacts of climate change, having already seen an average temperature increase of 1.5°C, compared to the global average of 1.1°C. As a result, Australia is likely to see the impacts of climate change more quickly and severely than other countries, as unpredictable rainfall patterns, flooding, extreme heat and unseasonal wildfires become more frequent and intense.

To limit warming to 1.5°C globally, the IPCC has encouraged developed countries including Australia to lead decarbonisation initiatives, achieving net-zero Scope 1 and 2 emissions by 2040, which Metcash has aligned targets to. Metcash's emissions reduction targets are guided by the Science-Based Targets initiative, which it continues to make progress against. These are:

- 42% reduction in Scope 1 and 2 GHG emissions by 2030¹
- 100% renewable energy target by 2025
- Net-zero emissions for Scope 1 and 2 by 2040

To maintain accountability for medium-to-long-term emissions reductions targets, Metcash has established interim targets that it has achieved in FY24. The core drivers of emissions reduction targets include improving energy efficiency, reducing Scope 2 grid emissions, increasing solar energy production, and further developing on-site energy management.

In addition to the Company's ongoing commitment to energy efficiency initiatives outlined above, Metcash added additional resources to implement initiatives that support its targets to reduce waste diverted to landfill. In FY24 Metcash partnered with End Food Waste Australia, which supports its emissions reduction ambitions. Additionally, the Company joined the Bin Trim Networks Program which has helped Metcash take initial steps towards establishing a circular economy. These ongoing initiatives have commenced to support emissions reduction activities by diverting waste streams from landfill.

LOOKING FORWARD

In addition to the continued focus on alignment with TCFD recommendations, Metcash is also taking into consideration and preparing for the AASB S2 *Climate Disclosures* metric requirements for climate change. The introduction of the ASRS will provide a comprehensive baseline of climate-related sustainability and financial disclosures. Metcash continues to align with the TCFD guidance and will this year form a cross-functional working group to incorporate the AASB S2 *Climate Disclosures* requirements, determining a roadmap of activities necessary to address the action items derived from an externally prepared gap assessment.

1. Using a 2020 baseline, aligned to the Science-Based Target of 1.5C warming scenario from the Paris Agreement.



Truganina, VIC DC 2.7MW rooftop solar system

OUR PLANET CONTINUED

WASTE AND RECYCLING

Within the context of the GRI standards, Metcash has identified waste management as its second-most material topic, when considering impact on its business, degree of control and stakeholder importance.

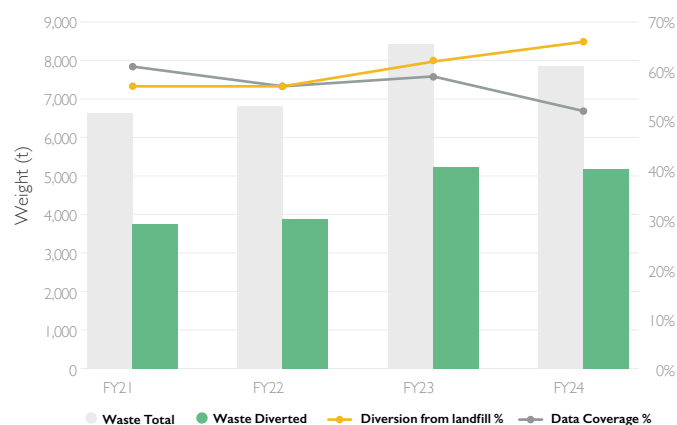
Metcash has enhanced the management of its waste and recycling practices through the appointment of a dedicated waste and recycling resource. This has improved the oversight of, and insights into, waste at all locations, as well as improving data capture and awareness of recycling and reuse streams. This will also enable the Company to continually evolve and improve its waste management practices moving forward.

This year Metcash measured waste and recycling outcomes across its three hardware DCs, 16 Campbells stores, national head office, as well as five Mega DCs (collectively the 'monitored sites'). At these monitored sites, as well as the broader value chain, there are several key materials generated. In line with GRI306, these materials, and the activities where the waste is generated are outlined in the table to the right.

Metcash continues to work towards the target of 80% diversion of waste from landfill by 2028, with a key focus on avoiding and reducing materials consumption in the first instance. Reuse and recycle options are promoted and implemented across the business, helping to minimise the volume of waste ultimately going to landfill.

Waste Diverted from Landfill

YoY comparison

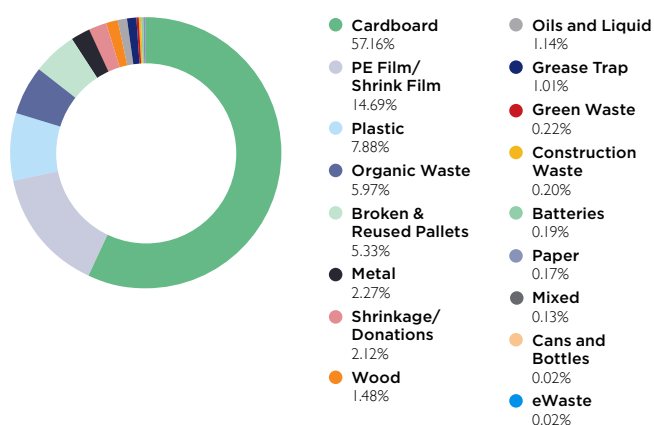


^ Note that FY21, 22, 23 used CY data and FY24 used FY data.

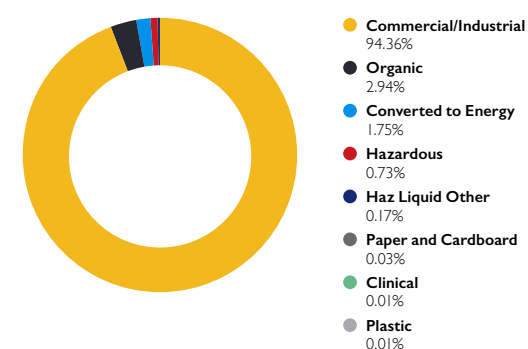
Table 2 – Waste generation information

Actual or potential waste-related impact (common material types)	Inputs, activities and outputs relating to waste-related impact		Where waste is generated
Cardboard	Unpacking:	<ul style="list-style-type: none"> – after first import – at Metcash DCs – at store 	<ul style="list-style-type: none"> – Upstream – Own activities – Downstream
Used pallet wrap	Unpacking:	<ul style="list-style-type: none"> – after first import – at Metcash DCs – at store 	<ul style="list-style-type: none"> – Upstream – Own activities – Downstream
Non-pool pallets	Changing pallet types:	<ul style="list-style-type: none"> – after first import – at Metcash DCs 	<ul style="list-style-type: none"> – Upstream – Own activities – Downstream
	Unpacking pallets at store		
Broken pool pallets	<ul style="list-style-type: none"> – Supplier distribution – Metcash distribution – In transport (all stages) – At store 		<ul style="list-style-type: none"> – Upstream – Own activities – Downstream
Shrinkage	<ul style="list-style-type: none"> – Product damage along value chain – Product unable to be sold via business-as-usual channel – Product recall – New product development/samples 		<ul style="list-style-type: none"> – Upstream (in transport) – Own activities – Downstream

Composition of Waste diverted from disposal FY24



Composition of Waste directed to disposal FY24



OUR PLANET CONTINUED

The Company's sites have dedicated recovery infrastructure and programs in place to prevent material going to landfill. This year Metcash achieved 65.9% diversion from landfill across its combined monitored sites. Several new initiatives have been implemented to assist in improving the rate of recycling as well as improved data monitoring to assist continual improvement:

Table 3 – Waste avoidance and recycling initiatives across monitored sites

	Waste Avoidance	Recycling	Data Quality	Capacity Building
Developed site-based action trackers with input across all levels, followed by regular progress reviews with key stakeholders	●	●		●
Improving onsite waste infrastructure to maximise recycling		●		
Delivered tailored waste avoidance and recycling messaging in toolbox talks	●	●		●
Conducted detailed waste assessments at high-materiality sites and provided recommendations	●	●	●	●
Working closely with licensed waste and recycling service providers to conduct regular reviews and site visits to identify opportunities like recycling bin sizing, frequency of collection, signage, and improved data accuracy	●	●	●	●
Began roll-out of dedicated repair and recycle program for broken pool pallets		●	●	
Analysis of pallet wrap usage to highlight opportunity areas and issued case study on best-practice pallet wrap core recycling	●			
Monthly recycling leaderboard and recycling tips featured on site-based digital screens to motivate staff	●	●		●
Continued efforts to minimise product wastage (shrinkage) from entering landfill, including close inventory management, dedicated repair programs, and donations to charity	●	●		
Increased uptake of 'de-packaging' technology for full recovery of shrinkage		●		
Review of Supplier Standards to ensure suppliers are supported to reduce packaging waste and shrinkage	●			

In addition to managing traditional waste streams, significant work has been undertaken this year to establish appropriate methodologies for quantifying previously unmeasured recycling streams. This has given Metcash a more accurate reflection of its efforts to prevent material from entering landfill, with monitoring of the following activities across the Company's sites now established:

- Material collected by on-call recyclers for example waste oil, grease trap and bulk metal
- Shrinkage sold at clearance or donated to local organisations or charities other than Foodbank
- Non-pool pallets that are reused, repaired or recycled
- Emptied cases (boxes) that are reused at all Campbells wholesale stores for packing customer orders

COMBATING FOOD WASTE

The following are examples of some of the activities undertaken in the year to combat food waste within the food retail value chain:

- Expanding the network and onboarding more retailers to implement the Food For Change solution, rescuing edible food and distributing to those in need.
- Metcash maintains a longstanding partnership with Foodbank Australia, in 2023 the Company helped donate over 336,000kg of food and 15.6kg of essential grocery items to support individuals and households facing food insecurity.
- Encouraging shifts in consumer behaviour through campaigns aimed at minimising food waste in households. This includes inspirational hacks and recipes to reduce food waste and tips from partner dieticians, The Biting Truth.

FOOD PACT/END FOOD WASTE AUSTRALIA

Metcash's decision in March this year to join the Australian Food Pact reflects its commitment to addressing food waste and promoting sustainability in the food and beverage industry. By aligning with this government-backed initiative and partnering with End Food Waste Australia (EFWA), Metcash aims to improve operational efficiency, resource productivity, and supply chain resilience, while minimising its environmental impact.

Over the three-year program, Metcash plans to implement initiatives such as identifying food waste hotspots, refining product development processes, engaging retailers and end-consumers in waste reduction, and collaborating with food rescue organisations, targeting efforts towards key private label partners and categories. With a dedicated cross-functional team focusing on waste reduction from farm to fork, Metcash aims to make considerable progress in this area.

Through collaboration with EFWA, Metcash commits to tracking and reporting its food waste reduction efforts annually. This demonstrates Metcash's commitment to improving financial, social and environmental performance.



CASE STUDY
RESCUING VEGGIE SCRAPS FOR COMPOST

Metcash works closely with third-party waste service providers to identify and implement opportunities for recycling and to ensure that the waste service provider manages waste in compliance with contractual and legislative obligations.

The Metcash Food & Grocery team at Rocklea, Queensland is continually looking for opportunities to reduce the amount of waste being sent to landfill. The site distributes fresh fruit and vegetables to local grocers and produces off-cuts, such as cauliflower leaves, in the process. Historically, this high-quality organic waste made up approximately 60% of the general waste which went to landfill. In partnership with its waste contractor, Remondis, the site has installed dedicated recycling bins to collect organics which are taken to a nearby composting facility. In the first three months following implementation, close to four tonnes of organic material has been diverted from landfill and converted into compost.

OUR PLANET CONTINUED

BIN TRIM NETWORKS GRANT PROGRAM

To assist in driving waste avoidance and increased recycling goals, Metcash obtained a \$500,000 grant from the NSW Environment Protection Authority under its Bin Trim Networks Program. Metcash was one of just 14 companies selected to participate in the three-year program commencing in 2023. The program aims to divert 35,000 tonnes of waste from landfill each year by helping businesses implement circular economy solutions. The program focuses on two rounds of visual waste audits at 115 targeted retail sites in NSW, as well as food, liquor and hardware distribution centres that service independent retailers in NSW. The first round of audits has been carried out by grant partners, Edge Impact. These audits identified a number of initiatives where further landfill reduction can be achieved – such as reducing waste through updated processes and the introduction of new equipment to increase recycling.

Insights from the program will be used to develop toolkits and guidance that will be rolled out to the Metcash network nationwide. Program outcomes will be measured during Edge Impact's second round of waste audits in 2025, and will be included in future sustainability reports.

NATIONAL PLASTICS RECYCLING SCHEME

In February 2024, Metcash became the first grocery participant to support the National Plastics Recycling Scheme (NPRS). Metcash joined other supply-chain partners such as Mondelez International, PepsiCo and Unilever to help close the loop on soft plastic waste.

The NPRS is an industry-led scheme created to fill gaps in Australia's soft plastic recycling capability and to establish a long-term circular economy for household soft plastics. The aims of the NPRS are to increase the availability of food-grade recycled content in packaging, incentivise sustainable packaging design and increase the recycling rate of soft plastics.

CONTAINER DEPOSIT SCHEME

This year the Independent Hardware Group (IHG) took part in the Container Deposit Scheme by hosting reverse vending machines (RVMs) or over-counter collection at seven stores across Australia.

The Container Deposit Scheme allows community members to deposit eligible drink containers into RVMs to receive a 10c refund per container which can either be redeemed via a bank deposit or donated to charity. Overall, IHG has collected over 1.2 million containers through site-located RVMs helping to reduce litter and increase recycling rates, and generate financial support for many local charities in the process.

PRODUCT STEWARDSHIP

BATTERY RECYCLING

Both Hardware and Food pillars have continued to recycle under the Ecobatt program. Across the network there are 994 stores, recycling 179.27 tonnes of batteries this year, resulting in the prevention of 28,055.76kg of CO₂-e emissions. Since joining the program, the organisation has recycled 359 tonnes of batteries in total.

PLANT POT RECYCLING

Black polypropylene is a common material used for plant pots thanks to its durability and resistance to the elements, however this material is not easily recyclable in Australian kerbside bins. Metcash is proud to be part of the PP5 Polypropylene Plant Pot Recycling scheme, which is now in its second year. Through the scheme 990kg of polypropylene waste has been diverted from landfill across 20 participating Mitre 10 stores (equivalent to approximately 50,000 10cm plant pots).

Under this initiative, customers can return polypropylene plastic pots, trays, stakes and labels, which are then granulated and transformed into new plant pots made from recycled materials.

This initiative, supported by Mitre 10 stores, also drove re-use of polypropylene plastic pots with members of the community selecting undamaged deposited plant pots for use in their gardens. The organisation hopes to further expand this program in FY25 and is investigating additional sources of collection and recycling of this material.

PAINTBACK

Australians have safely disposed of more than 51 million kilograms of paint and packaging since the Paintback program was established in 2016. This has prevented paint from entering landfill where it can generate emissions and leachate. Paint returned to Paintback 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.

Last year, IHG identified that ~56% of its stores selling paint were conveniently located near a Paintback collection site. The Company has now utilised this information to develop and roll-out a targeted marketing program across these stores, in partnership with Paintback, inclusive of eLearning and in-store material.

The eLearning has been completed by 73 store staff, educating paint sales staff members about the Paintback program and how to find their closest drop-off point. Around one third of these stores ordered additional marketing material to help empower the customer at point-of-sale to utilise the scheme.

DE-PACKAGING

At the Company's distribution centres, Metcash team members work hard to prevent product wastage such as repairing stock that gets damaged in-transit or by donating stock that cannot be sold.

Occasionally, product is unable to be repaired, or spoils before it can be donated. Metcash is partnering with de-packaging facilities in Victoria and NSW to divert this material from landfill. For example, Veolia's product destruction unit in Spring Farm uses a combination of trommel and separators to remove perishable product from its packaging. Organic material goes to nearby farms for soil improvement and packaging materials are recycled. Glass is processed on site into glass fines and sand, which is used to make road base and kitchen countertops. Over the last six months close to 50 tonnes has been diverted from landfill using this recovery method.

PRINTED CATALOGUE REDUCTION

IHG has made the commitment to reduce the number of printed and distributed catalogues. Marketing support will instead be delivered through a range of digital and online engagement activities.

Mitre 10 and Home Hardware previously published 12 catalogues each year. This will be reduced to five printed catalogues in FY25 leading to a reduction in printed marketing material of ~90 million sheets of A4 paper annually.

COMPANY OWNED STORE PRINTED TO DIGITAL INVOICES

This year IHG transitioned from hardcopy to electronic communications for invoices and account statements across the majority of trade account customers of the business' company-owned stores. This transition will reduce printing paper usage and emissions associated with mailing physical letters. In FY24, ~80% of company-owned trade customers were on these electronic-only methods.

OUR PLANET CONTINUED

PACKAGING

Metcash reports annually on progress against the Australian Packaging Covenant Organisation (APCO) targets. This year, the Company continued to be recognised by APCO as having 'Advanced' status, with the assessment score increasing 14% on the previous reporting period.

KEY PACKAGING INITIATIVES FY24

Branded Timber Wrap Review

In FY24, IHG conducted a review into its branded timber wrap used to protect timber transported from the store to trade sites. Through this review, IHG achieved a 38%-gauge reduction from 65 micron to 40 micron, enabling a 25% lift improvement in recycled content (or a saving of 84km of plastic wrap annually).

Private Label Packaging Investigation

As a part of the NSW Environment Protection Authority's Bin Trim Networks Program, Metcash has been allocated support to investigate and improve Private Label packaging in line with the 2025 National Packaging Targets and NSW Waste and Sustainable Materials Strategy.

In collaboration with merchandise category managers and suppliers, high-volume product packaging types within IHG will be investigated for sustainability improvements such as material reduction, improving recyclability and increasing recycled content. The learnings and insights gained will then be expanded across the broader IHG private label product range where possible.

Black Pallet Wrap Removal from Direct-to-Store Supply Chain

In Australia there are currently no facilities to process and recycle black soft plastic. In FY24, the business commenced a targeted project to remove black pallet wrap from the Hardware direct-to-store supply chain.

IHG reviewed which suppliers were delivering pallets wrapped with black pallet wrap, rather than clear wrap. Targeted communications were sent to two suppliers and one third-party logistics company, and all agreed to switch from black pallet wrap to clear. This switch will allow stores with soft plastic recycling facilities to divert this waste from landfill. Further supplier engagement is continuing in FY25.

Other key packaging achievements:

- Ready meal trays have been updated so that they are now fully recyclable and added 55% recycled content, contributing to the circular economy by recovering ~6.5 tonnes per year of plastic.
- Black and Gold Cream caps were updated from black to a more recyclable clear plastic, which could prevent up to 7 tonnes of plastic going to landfill each year.
- Aquench Spring Water 600ml products are now 100% recycled plastic, an increase of 50%. This means an additional ~22.64 tonnes per year reduction in virgin plastic usage. The bottles were also further optimised for material efficiency.
- This year the phase-out of fragmentable (oxo degradable) plastic and loose fill expanded polystyrene (EPS) from all three business pillars was completed. Moulded expanded polystyrene was also phased out from all pillars.

DESIGNING FOR SUSTAINABILITY

Designing product packaging is a multifaceted and collaborative effort. While the Company relies on suppliers to engage third-party packaging suppliers, it also actively participates in the design process to ensure that environmental considerations are prioritised. To support its own brand suppliers in packaging change, the Company has Master Guidelines and a Code of Practice which empower suppliers to assess the entire lifecycle of the packaging, from sourcing raw materials to end-of-life disposal or recycling. Through this holistic approach, Metcash aims to support suppliers to identify opportunities for improvement and innovation at every stage of the packaging design process.

By staying abreast of emerging technologies and best practices in sustainable packaging, Metcash strives to maximise innovation while minimising its environmental footprint. In ongoing efforts to enhance sustainability within the supply chain for private label food packaging, supplier engagement plays a pivotal role in driving positive change. Metcash's engagement strategy for private label food is committed to ensuring continual improvement of existing compliant packaging in line with the APCO Sustainable Packaging Guidelines. Metcash regularly reviews and evaluates its packaging designs and materials to identify areas for optimisation as well as recyclability. Metcash's engagement with supply partners extends to exploring innovative packaging solutions, such as trialing new soft plastic packaging for cheese.

While sustainability is a key focus in packaging design, the net benefit of solutions is considered on a case-by-case basis. Outside of protecting products from damage or spoilage, packaging also protects the quality of the product and prevents contamination, maintains nutritional value, preserves freshness and enhances security against tampering, and extends shelf-life naturally without harsh chemicals by controlling atmosphere. On top of sustainability considerations, the design of packaging also must consider adequate display of product information, safeguard the integrity of speciality products like gluten free or Halal, and provide accessibility for those living with arthritis or disability. User-friendly features such as resealable closures, and portion-control mechanisms can help consumers manage food inventory more effectively and minimise food waste due to spillage or improper storage. Where sustainable alternatives are not fit for purpose, they will continue to be developed until they can adequately protect the product along the value chain to prevent food or product waste.

Metcash has continued to actively work with its supply chain to provide guidance and support in navigating State and Territory legislation and ensuring compliance with local recycling guidelines. Through proactive engagement, open communication, and a shared commitment to sustainability, the Company aims to create packaging solutions that not only meet the needs of customers but also contribute toward the 2025 National Packaging Targets and beyond.

AUSTRALASIAN RECYCLING LABEL

In the most recent reporting period for the Australasian Recycling Label (ARL), Metcash was proud to report that ~50% of SKUs sold across Food and Liquor pillars were assessed in the Packaging Recyclability Evaluation Portal (PREP) and display the ARL on-pack. This is an increase of 32% compared to the previous period. IHG has undertaken PREP training and will begin implementing the ARL in FY25.

OUR PLANET CONTINUED

WATER

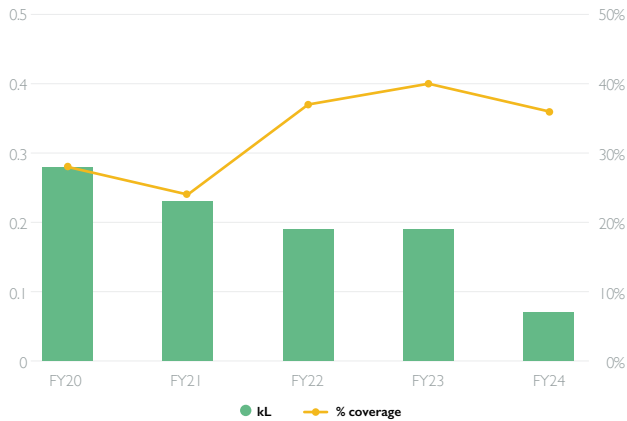
While Metcash's operations are not deemed water-intensive or water-sensitive, the Company acknowledges the global challenge posed by changing rainfall patterns and environmental pressures on freshwater sources. Metcash remains committed to monitoring water consumption and continues to collaborate with landlords to enhance water efficiency at distribution centres. Through active management of digital water meters, the Company can promptly identify and address leakages.

During FY24, cross-function working groups conducted periodic reviews of site data to identify areas for optimisation and improvement in water usage.

Table 4 – Metcash's water intensity

	Units	FY20	FY21	FY22	FY23	FY24
Water Intensity	kL/m ²	0.28	0.23	0.19	0.19	0.07
% coverage by area*	%	28%	24%	37%	40%	36%

*Refers to the availability of water data measured against the operationally controlled portfolio area as of 30 April 2024.



NATURE

Metcash recognises the importance of maintaining the sustainability and viability of the resources used in its operations, as well as the importance of addressing nature-related risks that could impact financial performance.

This year Metcash conducted a gap assessment against the Taskforce on Nature-related Financial Disclosures (TNFD) and also assessed specific product-related nature risks using Elevate's EiQ Risk Assessment tool. This included utilising 'double materiality' on its products for identifying the largest material impacts on nature. 'Double materiality' involves assessing the raw environmental impact of a commodity and adjusting the quantity of total impact against the financial materiality. The largest identified nature impacts were:

- Terrestrial ecosystem use
- Disturbances to natural habitats and species
- Freshwater ecosystem and water use
- Greenhouse gas emissions
- Resource use, soil pollutants, and water pollutants

Whilst the industry waits for emerging granular level data on nature impacts of different commodities in different regions, the business has opted to prioritise ensuring its compliance with the new AASB S2 *Climate Disclosures*, as well as its work to further embed its ESG strategy across the organisation. FY25 will include making more incremental steps in preparation for TNFD disclosure, with the majority of work scheduled for FY26.



OUR PEOPLE



Family Day at Huntingwood, NSW DC

TOTAL REPORTABLE INJURY FREQUENCY RATE (TRIFR)

14.3

▼ Improvement
21% in FY24

GENDER EQUALITY

2024 Equileap Top 100 Companies

**BRONZE TIER STATUS WITH
THE AUSTRALIAN WORKPLACE
EQUALITY INDEX (AWEI) FOR
LGBTQ+ INCLUSION PRACTICES**

Metcash is committed to creating an inclusive culture which underpins the organisation's ambition to establish itself as a Favourite Place to Work.

Metcash fosters a high-performing organisation that harnesses the distinctive abilities of each person.

DIVERSITY, EQUITY AND INCLUSION

Metcash is made up of a diverse group of employees. The most recent Engagement Survey revealed the organisation supports an employee base where 39% speak another language at home, and 24% were born overseas. The survey also revealed that 41% of Metcash employees hold caring responsibilities at home. It is integral to an inclusive culture that company policies and practices support its diverse employee group in their lives outside of the workplace so they can do their best work.

The organisation's Diversity, Equity and Inclusion Policy maintains a focus on building and supporting an inclusive culture to better serve its communities and customers. Metcash promotes an environment where its people feel safe, recognised, valued, supported and have a sense of belonging.

OUR PEOPLE CONTINUED



Jenna Turner, Warehouse Operations Manager

METCASH DOES THIS BY:

- Creating an inclusive, equitable and diverse workplace
- Promoting an awareness and understanding of diversity, equity and inclusion through education and ongoing dialogue
- Striving for diverse representation at all levels of the organisation, including leadership, to reflect the communities it serves and to foster diverse perspectives in decision making
- Implementing inclusive policies and practices that promote fairness, transparency and accountability
- Encouraging collaboration and allyship among individuals from diverse backgrounds to support each other's growth, development, and success

Metcash has a strict zero-tolerance policy when it comes to unlawful discrimination, bullying, harassment and victimisation. The Company is committed to fostering an environment free of gender-based harassment, discrimination, sexual harassment and bullying of any form. The People and Culture Committee reviews all policies annually. Reviews follow recommendations and changes that occur in line with legislative requirements and best practise principles.

GENDER EQUITY

Metcash's aim remains to advance a community of diverse leaders by providing equitable opportunities for all, with a specific focus on gender balance.

The Company continues to track progress in achieving its 40:40:20 target, with current representation of women at 32% across the organisation, and 36% at manager level. In key areas, there has been an improvement on the target, with the Metcash Board at 50% and Head of Business/Other Executive/General Manager level at 42% female representation.

This commitment is also recognised externally, with Metcash ranking 74th in Equileap's Top 100 globally for gender equality in 2023.

The Company's gender pay gap was recognised by WGEA as neutral, underlining its continued efforts to addressing gender pay inequalities. Metcash is one of only 16 companies in the ASX 200 that achieved a gender neutral or non-existent pay gap in the WGEA 2022–2023 reportable period. Metcash is proud to report that its overall average gender pay gap was <1% in FY24.

RECRUITMENT PRACTICES

Aligned with Metcash's commitment to championing diversity and challenging assumptions, in FY24 the company revitalised its 'Employee Value Proposition' and branding strategies. This revitalisation aims to mirror the dynamic diversity of the communities it serves, while actively encouraging women to explore and pursue roles traditionally taken up by men in the organisation.

To bolster gender diversity initiatives, Metcash refined its recruitment practices. This involved implementing targeted sourcing strategies to attract a broader spectrum of candidates and integrating a gender decoder into all job advertisements to mitigate gendered language. The Company also utilises talent acquisition technology and processes to support gender-balanced shortlisting.

Metcash also provides comprehensive coaching to hiring managers to ensure their decision-making processes are inclusive and equitable.

CAREER DEVELOPMENT

The Metcareers framework has been developed to give greater visibility of career opportunities across the organisation. The framework breaks down stereotypes inherent in some roles and allows people to easily identify transferable skills, like-for-like roles and promotions.

Metcash remains dedicated to fostering an inclusive culture through investment in leadership development. By building upon existing knowledge of unconscious bias, the Inclusive Leadership Program equips leaders with the skills and tools necessary to create an inclusive and supportive work environment.

As part of Metcash's commitment to fostering gender diversity and advancing women in leadership the Company runs a specific program; "Strive". This initiative is designed to empower and equip women at Metcash with the skills, resources and opportunities needed to thrive in their professional careers. Through tailored mentorship, training and networking, the Company promotes growth, leadership and advancement for women across its businesses.

OUR PEOPLE CONTINUED

INCLUSIVE POLICIES

Metcash remains committed to creating an environment that values the well-being of all team members, supported by flexible working arrangements. The Company remains a FlexReady certified organisation, an accreditation that recognises employers who are genuinely committed to a flexible work environment. Companies recognised by FlexCareers as FlexReady demonstrate best practice flexible work arrangements that meet or exceed benchmarks across a range of criteria, including but not limited to, remote readiness and technology, carers and parental support, communication, training and strategy and framework. Metcash maintained its score of 87% against a cohort average of 72% in FY24.

Metcash embedded its "Ways of Working" initiative in FY24. This initiative empowers teams to collaboratively devise working structures tailored to their unique requirements. Since its inception, numerous teams have embraced this opportunity, crafting working structures that harmonise business imperatives, individual preferences, and customer demands. These arrangements are subject to periodic evaluation to ensure their continued efficiency and alignment with organisational objectives.

In acknowledgment of its diverse workforce, Metcash's parental leave policy stands as a testament to its commitment to inclusivity. It encompasses a spectrum of circumstances, including births, stillbirths, surrogacy, miscarriages and adoptions, ensuring equitable treatment across all genders. In addition, the company recognises the significance of addressing issues such as domestic violence and extend both paid and unpaid leave options to support team members encountering such challenges.

Metcash was awarded and achieved Bronze Tier Status with the Australian Workplace Equality Index (AWEI) for its LGBTQ+ inclusion practices in 2023. The company's best-in-class Gender Affirmation Policy allows for access to both paid (30 days) and unpaid leave, to team members who wish to affirm their gender.

CELEBRATING CULTURE AND TEAM WORK

Metcash encourages its team members to bring their authentic selves and individual cultures to work. The organisation continues to support Employee Resource Groups dedicated to promoting the LGBTQ+ community (MET-Pride), First Peoples (Jumbunna) and MetGlobe, celebrating employees' ethnic backgrounds and cultures. These groups, equipped with dedicated committees, clear purpose statements and executive sponsors, serve as pillars in promoting, sharing and educating others about the diverse cultures within the organisation. These groups are also supported by an allyship network.

This year Metcash hosted 'Family Fun Days' at major distribution centres throughout the country, to thank staff for their efforts during the year. Employees bring their family and friends and enjoy a day full of great food and fun activities.



CASE STUDY MET-PRIDE

The MET-Pride Committee is a clear demonstration of Metcash's commitment to its people and the community. Volunteers foster inclusivity and support for LGBTQ+ team members and allies.

It serves as a vibrant hub within Metcash to provide a safe space for networking, mentorship and advocacy, enhancing team member morale and retention. Through our work of celebrating significant days in the diversity calendar such as Fair Day and June Pride month and our education series "the Shopping Bag", we cultivate understanding among colleagues, fostering empathy and collaboration.

Through partnerships with our suppliers and charities, our volunteer efforts, and educational workshops promote acceptance and understanding. By engaging with our community, we not only amplify our message of inclusivity but also create tangible support networks for LGBTQ+ individuals outside of the workplace.

OUR PEOPLE CONTINUED

APPENDIX

Table 5 – Employee category by age group

	Non-Executive Board	Group Leadership Team	Other Executive/General Manager	Senior Manager	Other Manager	Non-Manager
< 25	0%	0%	0%	0%	0%	15%
25–34	0%	0%	0%	3%	8%	20%
35–44	0%	0%	10%	25%	34%	21%
45–54	33%	86%	59%	53%	36%	22%
55–64	50%	14%	31%	18%	21%	18%
65 <	17%	0%	0%	1%	1%	5%

* Data is sourced from Metcash payroll. This covers all weekly and monthly paid employees that are paid through Metcash's payroll.

Table 6 – Female representation across employee category

Board of Directors (Non-Executive)	50%
Key Management/Head of Business	43%
Other Executive/General Manager	41%
Senior Manager	31%
Other Manager	37%
Non-Manager	32%

* Data is sourced from Metcash payroll. This covers all weekly and monthly paid employees that are paid through Metcash's payroll.

** 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.

Table 7 – Total employee new hires and turnover

	New Employee Hires	Employee Turnover
Total	1,466	2,116
Gender		
Female	475 (32%)	667 (32%)
Male	991 (68%)	1,447 (68%)
Non-Binary	0 (0%)	2 (<1%)
Age Group		
< 25	431 (29%)	494 (23%)
25–34	395 (27%)	576 (27%)
35–44	291 (20%)	374 (18%)
45–54	219 (15%)	300 (14%)
55–64	115 (8%)	269 (13%)
65 <	15 (1%)	103 (5%)
Region		
ACT	20 (1%)	26 (1%)
NSW	378 (26%)	470 (22%)
NT	67 (5%)	93 (4%)
NZ	23 (2%)	0 (0%)
QLD	327 (22%)	481 (23%)
SA	160 (11%)	253 (12%)
TAS	65 (4%)	75 (4%)
VIC	328 (22%)	604 (29%)
WA	98 (7%)	114 (5%)

* Data is sourced from Metcash payroll. This covers all weekly and monthly paid employees that are paid through Metcash's payroll.

OUR PEOPLE CONTINUED



Huntingwood, NSW DC

HEALTH AND SAFETY

Metcash's top priority is the health and safety of its people. The Company continues to make significant progress with initiatives in its Safety, Health and Environment (SHE) Strategy. This year, focus was on completing a comprehensive review of the Metcash integrated SHE Management System and related training. This effort led to a reset of the approach on several key SHE topics, involving extensive consultation with operational teams to ensure alignment with their needs and a strong focus on risk reduction.

This year we also celebrated K&B receiving a Highly Commended award by NSCA (National Safety Council of Australia) for their crane truck initiative, which significantly reduces the risk of injury while delivering numerous operational efficiencies.

IMPROVEMENT OF KEY SAFETY MEASURES AND LEAD INDICATORS

Pleasingly, this year Metcash achieved a 21% reduction in its key safety measure of Total Recordable Injury Frequency Rate (TRIFR) which decreased from 18.39¹ in FY23 to 14.32. This improvement has been underpinned by Metcash's ongoing focus on lead indicators, particularly the quality of safety conversations from leaders to frontline workers.

The year included improvements across lead indicators, with engagement conversations 4% above target, safety communications 47% above target, SHE workplace inspections 26% above target and hazard reporting 27% above target.

In FY25, Metcash will focus on embedding its revised SHE Management System across the organisation, and rolling out updated training materials, together with a strong emphasis on safety leadership training for frontline leaders.

SAFETY TECHNOLOGIES AND INITIATIVES

Metcash continued its largest expansion of wearable technology to date, enhancing the team's learning experience with a refreshed and immersive approach. The training and data insights from these technologies have driven further investments in reducing hazardous manual handling within the business.

1. A re-classification of injury types was undertaken during FY24 to align with industry definitions. The FY23 outcome was 18.4 based on the new classifications, compared to 19.9 disclosed last year using the prior classifications.

FOCUS ON PROACTIVE RISK MANAGEMENT AND CRITICAL RISK

The year included intensifying the Company's focus on proactive SHE risk management, targeting the top 11 Critical Risks identified in the Group SHE Risk Profile, with a comprehensive Risk Mitigation Action Plan now developed for each critical risk.

Starting early in FY25, Metcash will implement leader-led Critical Risk Reviews to ensure that the necessary hazard controls are in place and effective. Critical Risk Reviews will be a new lead safety KPI in FY25.

WELLBEING PROGRAMS

The Work Well Program has continued to evolve, offering more engaging 'Wellbeing Wednesday' guided webinar sessions. Each session is supported by free consultations with various types of clinicians, helping employees integrate healthy habits into their daily lives. Topics have ranged from physical and mental health to sleep coaching. Metcash has also initiated a project to provide healthier food options, in partnership with Healthy Heads in Trucks and Sheds at distribution centres and head offices. Active promotion of health and wellbeing benefits has been positively received, and the Company continues to see great take-up of these amongst employees.

Metcash also continues to actively recruit and train Mental Health First Aid Officers, as well as provide quarterly upskill sessions as part of its network of support. Metcash remains an accredited workplace by Mental Health First Aid Australia.

INDEPENDENT SAFETY REVIEW

The Safety and Sustainability Committee engaged consultants HSE Global to commence an independent safety review. The Company continues to lift safety standards in line with the best practice. While there has been significant improvement in TRIFR year-on-year, Metcash recognises there is further work to be done and remains committed to ensuring the safety of its people.

OUR COMMUNITY



Greening Australia Planting Volunteering Day, QLD

MEALS DONATED

>2.6m

via Foodbank, OzHarvest
and Food4Change

IGA COMMUNITY CHEST DONATIONS

\$2.7m

MODERN SLAVERY STATEMENT DISCLOSURE

'B'

rating

Metcash remains committed to fostering strong ties with the local communities where it operates. Deeply rooted in their communities, Metcash's network of independent retailers serve as a cornerstone to achieving this goal.

Independent retailers make an enormous contribution to local communities and the national economy through:

- Providing local jobs
- Supporting local suppliers
- Supporting local schools, sporting and social organisations
- Supporting local charitable organisations

COMMUNITY AND CHARITIES

Independent 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. Metcash is also able to make a significant impact Australia-wide through the scale of its retail network and partnerships with national charities, such as Foodbank and OzHarvest in food rescue.

OUR COMMUNITY CONTINUED

IGA COMMUNITY CHEST

The IGA Community Chest program operates nationwide, raising funds to assist local community groups, charities, and other worthwhile causes. Shoppers at 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 2023, there were ~1,600 individual donations to local and national communities and charities with a combined total of these donations at ~\$2.7m, with charities, local hospitals and youth soccer clubs being just some of the many worthy recipients. Since 2010, donations totaling over \$40m to charities have made a real difference in local communities. Metcash takes great pride in its ongoing support for the IGA Community Chest program and its vital role in helping local communities thrive. IGA also continues to collaborate with longstanding national charities that have a national presence yet offer grassroots localised support across Australia. These include:

- Special Olympics Australia; a charity IGA has supported for 32 years, which helps to empower people with disabilities to participate in sport. In total IGA has provided ~\$2m of support, including ~\$253k this financial year.
- McGrath Foundation; a partnership that has been in place for 16 years to fund specialist McGrath Breast Care Nurses in communities around Australia. In total IGA has provided ~\$3m of support, including ~\$300K in FY24.
- St Vincent's (Vinnies); the 13-year partnership helps provide support for those struggling to pay for basic necessities like food, rent and bills. In total, IGA has provided \$4.8m of financial support, including ~\$340k in FY24.

IGA LOCAL MATTERS – HEALTHY LIVING

The IGA website and social media channels have a dedicated 'Local Matters Community Program', with content focused on healthy living. The website provides the IGA community of over 75,000 members with healthy recipes that address health needs and concerns relevant to the audience. IGA has partnered with experts such as the GI Foundation (Glycemic Index Foundation) and dietitians from The Biting Truth to create content and recipes for shoppers, including the popular eBook 'The Low GI Cook Book'.

In addition to its website and social media presence, IGA provides store radio and local area marketing support for retailers to promote healthier options in their stores and through their own channels.

FOOD RESCUE

Across the Metcash distribution network, as well as among the independent network, Metcash supports various food rescue organisations at a local, as well as national, level, to match the needs of the community. On any given day in Australia, more than half a million households are struggling to put food on the table.

IGA FOOD RESCUE PROGRAM

The IGA Food Rescue Program enables its network of independent retailers to donate surplus edible food to those who need it most within their communities. Together with the not-for-profit 'Food for Change', IGA stores across the country are regularly taking this action and donating available food from their stores that would otherwise go to waste. The IGA Food Rescue Program connects IGA stores, via an app, directly with their local food relief agencies so that any unavoidable food waste can be donated to people in the local communities. In 2023, their efforts resulted in 1.8 million donated meals through the partnership with Food for Change.

FOODBANK

As the 'pantry to the food sector', Foodbank accepts donations of food from growers, manufacturers and organisations such as Metcash, and provides food relief to 2,844 front-line charities and 3,379 school breakfast programs.

Total food donated from Metcash's direct operations was ~336,000 kilograms in 2023, equating to 665,100 meals that were rescued and subsequently provided to those in need.

FARESHARE

Over the past financial year, FareShare and Metcash's partnership has resulted in over 53,000 meals being delivered to 11 rural and regional Queensland charities who support community members doing it tough. This emanates from Goondir Health located at St George in Queensland's west, to the Cape of Far North Queensland where the Cooktown Country Women's Association (CWA) provides food relief to locals, and most recently has included residents displaced by Cyclone Jasper in 2023. Since the partnership began in 2020, there have been over 205,000 meals provided through the partnership.

“In December 2023 Cyclone Jasper devastated the remote township of Wujal Wujal, with residents being air-lifted from roofs. Thanks to the Metcash partnership we were able to increase support to the Cooktown CWA via Cornett's IGA so that displaced residents of Wujal Wujal could get access to a balanced meal.”

– Jason Mollenhauer, First Nations Officer, FareShare

OUR COMMUNITY CONTINUED

METCASH VOLUNTEERING

Metcash offers all full-time employees a day of volunteering leave to permanent team members. This initiative allows employees to give back to their local communities and make a meaningful difference. In FY24, Metcash team members spent a collective 667 hours volunteering across the country.

In collaboration with the Koala Clancy Foundation, team members in IHG planted 1,571 trees in a day of volunteering to support koala habitat in the Victorian Western Plains.

Additionally, the Metcash sustainability team volunteered at Foodbank's Sydney distribution centre. The team worked the warehouse floor to pick boxes of donated food items and pack orders to local charity organisations. The food packed and shipped during this shift provided over 9,500 meals to those in need and diverted ~5,400kg of food from landfill.

INDIGENOUS

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

Metcash collaborates with the Arnhem Land Progress Aboriginal Corporation (ALPA), a long-standing partner overseeing 27 retail outlets across the Northern Territory. 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.

Through this collaboration, Metcash strives to supply essential items to those in need, while fostering economic self-sufficiency through training, development and employment opportunities for locals.

Metcash also facilitates work experience opportunities for students from ALPA communities within its operations.

IGA PLANTS 20,000 TREES IN PARTNERSHIP WITH GREENING AUSTRALIA

A new partnership with not-for-profit Greening Australia was launched in FY24. Greening Australia's efforts focus on delivering biodiverse, climate resilient restoration where people and nature thrive. Thanks to the support of suppliers, shoppers and IGA retailers for the 'Buy One Get One Tree' program, ~20,000 trees have been donated in a short period of time. It is expected to reach a total of ~65,000 trees by September this year. These trees are being planted by Greening Australia in locations where they are needed most.

MOVEMBER

Total Tools has been an avid supporter and official partner of Movember for a number of years. The Total Tools network continues to be a significant participant in Movember, raising crucial funds for men's health. The business generated support totalling \$530k in FY24.

The Movember partnership resonates well with the Total Tools business and customer base. Stores get involved in many ways, from selling the Movember/Total Tools Official Partnership merchandise (T-shirts, caps, etc), to hosting events designed at increasing awareness on men's health and fundraising.

TRADESWOMEN AUSTRALIA

Tradeswomen Australia (TWA) is a non-profit organisation that provides support and resources for women in the trades industry. Its goal is to increase the number of females in trades and to place them in safe and equitable workplaces.

Total Tools strongly believes in equity and supporting women in trades, and has partnered with TWA to support their workshops and programs. Through the partnership, Total Tools promotes gender diversity in the industry and provides training and opportunities for women who are interested in pursuing a career in the trades.

Total Tools recently held a pilot of 'Try A Trade' event in Victoria with TWA and the local Total Tools Brooklyn store. This encouraged people to get advice from TWA officers in relation to trade apprenticeship options, and to gain some practical experience using tools. The pilot is expected to extend to more stores in FY25.

IHG COMMUNITY ENGAGEMENT

The IHG network of independent and owned stores continues to play an important role within local Australian communities through charity fundraisers and community events. Financial support from company-owned and joint venture stores alone to charities exceeded \$220k in FY24.



CASE STUDY AWARENESS FOR THE McGRATH FOUNDATION

In October 2023, Northern Independents, a group of independent stores located in the northeast of NSW banded together to raise ~\$26k for the McGrath Foundation. The goal was to raise money and awareness to support people diagnosed with breast cancer. This is addition to the \$300k of financial support from the IGA Community Chest.

OUR COMMUNITY CONTINUED

LIQUOR CONTRIBUTIONS TO CHARITY

The Liquor pillar has continued to support a variety of charities, including children's charities and mental health charities. Total donations to these charities in FY24 were ~\$60k.

Australian Liquor Marketers (ALM) was recognised for its fundraising efforts for the Children's Cancer Institute, receiving a Benefactor Award in November 2023.

Over the past four years, ALM has raised more than \$400k for the Children's Cancer Institute, an effort that has been made possible through considerable support from Independent Brands Australia's (IBA) network of retailers, which includes Cellarbrations, The Bottle-O, IGA Liquor, and Porters Liquor.



CASE STUDY ALM 'PLATE 4 PLATE' VOLUNTEER DAY

In October 2023, the ALM National Operations team took some time out to support Zambrero Plate 4 Plate Day. The team is located across the country and, as Zambrero Plate 4 Plate takes place in every State, it was fantastic to be able to volunteer together.

The team found the day extremely rewarding and enjoyed giving back by taking part in a meal packing day to help those in need, resulting in ~470,000 meals packed.

OUR COMMUNITY CONTINUED

RESPONSIBLE SOURCING

Metcash aims to strengthen its supply chains, reduce food waste and promote sustainable practices across its network, and has collaborated with over 30 key industry partners to help achieve this.

In FY24, Metcash introduced a sustainability module into its business planning, held educational workshops across the Food business and collaborated with industry partners on initiatives for its supply chains. The Company also strengthened cross-business sustainability awareness and literacy.

Metcash continues to take practical steps across its fresh foods and proprietary brands to make a meaningful impact towards a sustainable food system. Working together with partners remains a key avenue for helping to create a more sustainable food system that benefits everyone.

INTEGRATING SUSTAINABILITY INTO FOOD JOINT BUSINESS PLANNING (JBP)

JBP 2024 SUSTAINABILITY ROADMAP



PLATINUM PARTNERS

Introduced our first sustainability module to Spring '23 JBP Meetings.



HELD WORKING SESSIONS

With 30+ JBP partners to understand and discuss sustainability progress.



GO-CREATED SUSTAINABILITY SUMMARIES

For all supplier JBPs – consistent approach to talk sustainability ambitions, progress, Metcash initiatives and achievements.



STARTED TO RAISE SUSTAINABILITY AWARENESS AND LITERACY

Across our teams as we adapt to a new normal.

WHAT'S NEXT

CONTINUE JBP PLATINUM PARTNER ENGAGEMENT:

- Sustain ongoing dialogue with Platinum Partners to nurture relationships.
- Reinforce sustainability's pivotal role in shaping future-fit business partnerships across development, operations, and supply chains.

CONTINUOUS EVOLUTION TO MAINSTREAM SUSTAINABILITY:

- Refine strategies based on Sustainability Roadmap, trends and stakeholder feedback.
- Remain agile in addressing emerging challenges and opportunities.

BUILD ON KEY JBP FOCUS AREAS SUCH AS:

- Circularity
- Community
- Responsible & Ethical Sourcing
- Climate Action
- Health & Nutrition

OUR COMMUNITY CONTINUED

ADVANCING OUR PRIVATE LABEL COMMITMENTS

Metcash introduced initiatives across multiple product lines and suppliers to transition to certified materials, upgrade specifications or exit non-compliant products. The Company has also successfully launched several certified new and refreshed ranges in the year that reflect dedication to sustainability and quality. Some examples are shown below:



Community Co Ready Meals Range – includes responsibly sourced chicken, new improved packaging design and new recipes with nutrition enhancements to meet HFP targets for sodium.



Black and Gold Canned Seafood Ranges with responsibly sourced seafood.



Black and Gold Bacon Range with responsibly sourced pork.



Community Co Australian Honey with locally sourced Australian honey.

THE AUSTRALIAN HEALTHY FOOD PARTNERSHIP (HFP)

The HFP is a collaborative initiative between the Australian Government, the Australian food industry, public health groups and other stakeholders. Its primary aim is to improve the dietary habits and health outcomes of Australians by promoting healthier food choices and providing information and resources to support these choices. The partnership focuses on areas such as reducing salt, sugar and saturated fat intake, increasing fruit and vegetable consumption, and improving food labelling and advertising practices. It engages in various activities such as developing guidelines, conducting research and implementing programs to achieve its objectives.¹

As part of Metcash's commitment to the HFP, it is actively working to reduce nutrients of concern such as sodium, saturated fat and sugar across products like ready meals, breads and cakes. This includes successful reformulation projects that have helped us meet HFP targets in:

- Ready Meals
- Breads
- Cakes

CLEANER INGREDIENTS

The Metcash 'Clean Label Policy' aims to reduce additives and preservatives where possible. All Community Co food products contain 'No Artificial Flavours or No Artificial Colours' (NAFNAC) and Metcash is working towards the entire private label food portfolio being NAFNAC, in line with the 2025 commitment. This is identified on-pack by labelling 'No Artificial Colours and Flavours'.

HEALTH STAR RATING – BETTER NUTRITIONAL SIGNPOSTING

The Company's goal is to complete the HSR rollout across all qualifying food lines across its entire product range as part of its 2025 commitments, aiding informed choices for customers.

To enhance transparency and aid customer choice, Metcash is continuing to apply the HSR to applicable product lines, including the refreshed Black and Gold ranges.

PRODUCT AND RANGE DESIGN PRINCIPLES – WHOLEGRAINS

Metcash is registered with Grains & Legumes Nutrition Council (GLNC) for consumer awareness and range development to support and promote important wholegrains in the diet, including popcorn, cereals and rice.



CUSTOMERS WITH SPECIFIC DIETARY NEEDS

Metcash has expanded its product range to cater to customers with specific dietary needs, including gluten-free products, through partnerships with organisations such as Coeliac Australia. These efforts reflect a dedication to offering healthier options and supporting customers' well-being.



1. <https://www.health.gov.au/our-work/healthy-food-partnership>.

OUR COMMUNITY CONTINUED

ADVANCING OUR PRIVATE LABEL COMMITMENTS

OUR COMMITMENT TO QUALITY, SAFETY AND SUSTAINABILITY

Our team of experts works to ensure the quality and safety of our products. You can trust that our products are safe, legal, and produced with integrity. For sustainability, Metcash supports independent and internationally recognised certification programs to promote animal welfare, social compliance, and environmental protection, especially in high-concern product categories like our coffee, cocoa, palm oil, and seafood supply chains.

LOCALLY SOURCED AUSTRALIAN FRESH

We strive to provide our independent stores with quality locally grown fresh produce whenever possible, this includes our Aussie-grown locally sourced Community Co fresh pork, chicken, beef, lamb, milk and eggs.



MAKING HEALTHIER CHOICES EASIER

100% of Community Co food products contain **‘No Artificial Flavours or No Artificial Colours’**. We are working towards our 2025 commitment to make all Private Label food products ‘NAFNAC’.



To help customers select healthier options, we are rolling out on-pack Health Star Ratings across all qualifying private label products, making healthier choices easier.



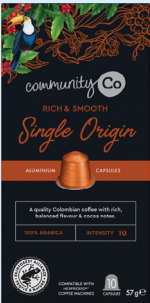
ANIMAL WELFARE

We are progressing towards our 2025 commitments of having all fresh private label protein responsibly sourced to certified standards of animal welfare. We have expanded our fresh protein offer, including organic eggs, organic and free-range meats, and higher welfare, responsibly sourced chicken. All private label seafood is responsibly sourced. Our requirements recognise a range of certification and assessment programs.



COFFEE, COCOA RESPONSIBLY SOURCED

We have launched several private label products that are Rainforest Alliance Certified. Such as our popular RA-certified **Community Co coffee pods**.



PALM OIL RESPONSIBLY SOURCED

As members of the RSPO (The Round Table for Sustainable Palm Oil), we are committed to sourcing sustainable palm oil for private label products. All palm oil ingredients in our food products are certified according to the requirements of the RSPO meeting our **2025 target**.

OUR COMMUNITY CONTINUED

RESPONSIBLE TIMBER SOURCING

In a comprehensive review of the timber supply chain Metcash assessed its adherence to responsible timber sourcing practices and calculated the extent of third-party certification. IHG recognises certifications from both the Forest Stewardship Council (FSC) and the Program for the Endorsement of Forest Certification (PEFC), which independently verify that timber products are sourced from suppliers committed to sustainable forestry practices. The evaluation revealed that approximately 90% of wholesale sales were derived from FSC/PEFC certified sources, while 5% came through wholesalers of FSC/PEFC certified products, and the remaining 5% are in review. Moving forward, Metcash plans to continue to work with suppliers to address and enhance certification compliance and sustainability measures.

HARDWARE SUSTAINABLE RANGE GUIDE

In January 2024, IHG launched a Sustainable Range Guide for its store members. The range guide breaks down sustainable features of select product ranges, which enables stores to leverage alternative sustainable procurement opportunities. The guide contains over 50 products, with ambitions to continue expanding the offering throughout FY25 via continued supplier collaboration.

SOCIAL RESPONSIBILITY

In today's interconnected world, the global supply chain offers both opportunities and challenges. Metcash's commitment remains to responsibly source its goods and services. Building on the governance framework developed last year, the Company has integrated four key aspects – Governance, Policy, Monitoring and Continuous Improvement. This is a more holistic approach that extends beyond the narrow definition of modern slavery, to encompass broader social responsibility issues including human rights, traceability and responsible sourcing. This led to the update of Metcash's Anti-Slavery Policy and the introduction of new Responsible Sourcing Principles.

STRONG CORPORATE GOVERNANCE

Metcash's corporate governance framework helps to implement, execute, monitor and address human rights and modern slavery within its operations and supply chain. The sustainability team has continued to collaborate with the Audit, Risk and Compliance Committee to address the risks of social and modern slavery by integrating them into the wider enterprise risk framework, ensuring oversight and compliance.

STRENGTHENED POLICIES

Metcash's responsible sourcing program was strengthened in the year with the implementation of new Responsible Sourcing Principles which have been embedded in the Supplier Code of Conduct. These principles extend to topics such as freedom of association and collective bargaining, living wages and safe workplaces. Metcash has also expanded the scope of our policy from anti-slavery to broader coverage of human rights, and developed its first Human Rights Policy. The policy commits Metcash and its supply chain to respecting the rights of individuals or vulnerable groups including Indigenous people, women, children, LGBTQI+ individuals, people with disabilities, and migrant workers and their families.



Mitre 10 Trade Centre, Richmond, VIC

OUR COMMUNITY CONTINUED

EFFECTIVE MONITORING

The Metcash supply chain is large and complex, with a diverse range of suppliers across the Food, Hardware and Liquor pillars. To effectively monitor the most high-risk and impactful areas the Company commenced utilising in FY24 an independent third-party database to enhance the risk assessment across private label, proprietary, non-trade products and services. This tool evaluates a wide range of dimensions and global social indices including child labour, forced labour, freedom of association, humane treatment, migrant workers, wages and working hours across global sourcing countries. By using this tool Metcash is able to identify the most critical threats to workers within the supply chain and segment suppliers into different risk levels, define specific approaches based on the different natures of suppliers by pillar, and allocate resources effectively to monitor and focus on high-risk categories and manufacturing sites that are impactful and meaningful to the business.

The Responsible Sourcing Program focuses attention on key social and environmental aspects. To steer these efforts a modern slavery working group was established, comprised of key team members who lead initiatives across pillars. This group convenes regularly to discuss sustainability and social strategies, assess progress on implementation, tackle challenges, exchange learnings, share perspectives and refine due diligence processes. The Responsible Sourcing Program also includes evaluation of onboarding new suppliers by assessing their third-party social compliance audit results.

To enhance the maturity and effectiveness of monitoring Metcash's supply chain, the Company has devised a systematic approach aimed at directly hearing the voices of vulnerable workers in the supply chain via the third-party platform NAVEX One. Additionally, Metcash has initiated surveys to assess the efficacy of grievance mechanisms at Food and Total Tools private label suppliers. This proactive measure allows the Company to understand its suppliers' existing whistle-blower systems, avoid duplicating platforms already implemented, identify and address shortcomings in their grievance processes, and measure the effectiveness of the NAXEX One worker voice platform.

CONTINUOUS IMPROVEMENT

Continuous improvement is at the core of Metcash's program for managing the risk of modern slavery in its operations and supply chain. The Company's goal is to foster a culture of responsibility and improvement both within and beyond the organisation with a spirit of collaboration. This year, as in previous years, Metcash engaged with stakeholders to understand their expectations and took note of their requests to deliver further training to category and trade managers from subject matter experts.

Food private label suppliers are required to complete the self-assessment questionnaire (SAQ) via Metsafe, a Metcash internal system and the SEDEX SAQ as part of the onboarding process.

Additionally, the hardware team continues to work with high-risk suppliers identified by the Metcash SAQ to address modern slavery risks. The Company works collaboratively with suppliers and address non-conformance issues once identified during third-party audits. There are currently no outstanding business-critical issues with Metcash suppliers.

KEY ACTIONS TAKEN IN FY24 TO SUPPORT OUR FRAMEWORK:

- Classified site performance using the LRQA EiQ platform, which incorporates third-party audit results. Sites are rated from A to D, with A representing the best performance and D indicating critical violations. This allows the Company to identify high-risk suppliers based on the most impactful risk levels. Through this comprehensive measurement Metcash can enhance proactive risk monitoring and supply chain risk management, details of which will be provided in the FY24 Modern Slavery Statement.
- Forged a partnership with a key hardware supplier to ensure timber traceability from forest origin to the final product shipped to Australia. All suppliers involved provide PEFC/FSC certification.
- Reviewed a potential solar panel supplier for Metcash's distribution centre in Western Australia. The panel and inverter manufacturers in China hold SA8000 certification. The modern slavery team reviewed these reports and found no critical non-conformances at their manufacturing facilities.

- eLearning Modern Slavery Module for internal procurement staff:
 - Refreshed the modern slavery training module being rolled out alongside the annual Grocery Code of Conduct training for all food merchandise employees.
 - 88% of IHG support and Company-owned and joint venture procurement staff have completed the training.
- eLearning Modern Slavery Module for external partners: suppliers' online training module centralised on Metcash's e-learning platform and continued to be deployed to suppliers across pillars.
- Delivered modern slavery training via Teams to non-trade logistics team, as well as Grievance Mechanism Training for Total Tools China operation team.
- Conducted awareness training for internal staff: staff members from the merchandising and procurement teams participated in training delivered by the NSW Anti-Slavery Commissioner. Additionally, the modern slavery working group members received training on real-world issues identified through social compliance audits, presented by AUS-Meat Limited.
- Performed a gap analysis and presented the recommendations to the Metcash Board to prepare and strengthen the program for potential mandatory reporting changes associated with the recent revision of the Modern Slavery Act.

OUR COMMUNITY CONTINUED



Total Tools Supplier Conference in China

INDUSTRY COLLABORATION

Metcash has collaborated with industry partners to expedite the reduction of modern slavery risk across the sector. This has included working closely with the National Retail Association Modern Slavery Committee and prominent Australian companies in the FMCG and consumer durables sectors. These partnerships are integral to addressing emerging issues, fostering peer collaboration, and strengthening modern slavery due diligence, remediation efforts, compliance with legislative changes and alignment with industry trends.

Metcash mandates that its private label suppliers belong to Fair Farms, SEDEX, BSCI, or an equivalent industry-recognised scheme. Additionally, tea, coffee and single-ingredient cocoa and chocolate bars must hold Rainforest Alliance certification or equivalent credentials. All hardware-sourced timbers are required to be PEFC/FSC certified. These certifications play a crucial role in mitigating modern slavery risks within the supply chain.

Metcash is actively exploring additional partnership opportunities with industry groups, NGOs, trade unions and academic research institutions to further support the fight against modern slavery.

For instance, Metcash is consulting with Monash University, which conducted a research project focusing on the disclosure quality of modern slavery statements submitted by 100 listed companies on the Australian Stock Exchange. This collaboration has helped Metcash to identify areas for improvement in its reporting practices and benchmark this approach within the industry.