



CREATING A SUSTAINABLE FUTURE

Environmental, Social
and Governance Report
2025



Message from the Group CEO

Welcome to Metcash's ESG Report for 2025, which marks the completion of our three-year road map to reporting in accordance with the Global Reporting Initiative (GRI). This milestone reflects our desire to provide stakeholders with comprehensive and standardised disclosures of our approach to material environmental, social and governance topics.



I am pleased to share with you our continued progress and achievements towards creating a sustainable future for all our stakeholders. We are on track to deliver our 2030 emissions target, with a 3.3%¹ reduction in Scope 1 and 2 greenhouse gas emissions compared to the prior year. This progress supports our pathway towards a 42% reduction by 2030, and net-zero Scope 1 and 2 emissions by 2040.

This year we opened our 5-star Green Star rated facility in Truganina, Victoria, Australia's largest single-story warehouse. This all-electric facility, supported by a 2.7MW rooftop solar system and powered by 100% renewable electricity, is another major step in our pathway to lower-carbon operations. Our solar program achieved its largest expansion to date in FY25, bringing our total installed capacity to 8,289 kWp.

Our focus on waste reduction and circular economy principles continues to deliver strong results. Using business as usual figures, we achieved a 73% diversion rate from landfill across our major distribution centres² keeping us on track to meet our 80% target by 2028. Through our partnership with End Food Waste Australia, we have made significant strides in food waste awareness, while our Food Rescue Program delivered over 2.3 million meals this year — our largest contribution to date.

Attracting, engaging and motivating great people who deliver extraordinary results, individually and in teams, is vital to our success and I am proud of our continued progress in building an inclusive and thriving workplace. We maintained our strong safety performance with a 4% reduction in our Total Recordable Injury Frequency Rate (TRIFR) to 13.8. Over 450 frontline and senior leaders completed our 'Leading Health and

Safety at Metcash' program, reinforcing our culture of safety accountability. Our commitment to diversity, equity and inclusion is reflected in our 43% female representation for Non-Executive Directors and our gender-neutral pay gap across the organisation as recognised by the Workplace Gender Equality Agency (WGEA).

This year our teams made design improvements to packaging, including removing unnecessary outer cartons, reducing plastic packaging, migrating to high recycled cardboard content and replacing expanded polystyrene with cardboard alternatives. We also improved communication with consumers about recyclability by increasing the use of the Australasian Recycling Label across the packaging of our private label products. These achievements earned Metcash an 'Advanced' rating from the Australian Packaging Covenant Organisation.

We are on track to deliver our responsible sourcing commitments by the end of 2025, across over 900 private label products, with significant progress in ethical sourcing standards and supply chain transparency. The launch of our MetPlanet Sustainability Hub strengthened supplier engagement and collaboration, providing resources and tools to support our partners with our joint sustainability objectives.

Our commitment to supporting thriving local communities continues to drive meaningful impact. Through the IGA Community Chest program, we contributed over \$2.5 million to approximately 1,400 local and national communities and charities. Since 2010, this program has donated over \$40 million, making a tangible difference across Australia. Our partnership with Greening Australia saw approximately

105,000 new trees funded through our 'Buy One, Get One Tree' program, contributing to climate-resilient, biodiverse environments.

Innovation in product stewardship has been demonstrated through our leadership in coffee pod recycling, where we became the first participant in Australia's grocery market to partner with Planet Ark on the PODCycle collection system. Our participating IGA stores successfully recycled over 30,000 used coffee pods this year.

Looking ahead, we are preparing for implementation of the new Australian Accounting Standards Board S2 climate-related disclosure requirements. From 2026, we will publish two complementary reports: a climate-led Sustainability Report addressing the requirements under the AASB S2, disclosed alongside our financial statements, and our comprehensive GRI-aligned ESG Report in August. This dual approach will ensure we meet regulatory requirements while maintaining our commitment to holistic GRI-led ESG reporting that serves the diverse needs of our stakeholders.

I am optimistic about the opportunities ahead as we continue to embed sustainability into our core business operations and support our independent retailers in their own sustainability journeys. Together, we are building a more sustainable future for our communities, our planet and future generations.

I trust you find this report informative and thank you for your ongoing engagement with our sustainability efforts.

Doug Jones
Group CEO

1. Excluding Superior Foods. Reduction is based on NGRS24 dataset, which is aligned to our 2020 baseline reporting period.

2. Total diversion rate from landfill in FY25 was 64% inclusive of unexpected chiller breakdown in February 2025 at our Crestmead distribution centre.

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We are Australia’s leading wholesaler and service provider to independent businesses nation-wide. In addition to being an integrated wholesaler and scaled logistics operator, we are a retail banner owner, a large and growing retailer, a franchisor and most recently a retail media operator.



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.

About Metcash



Our purpose

Championing Successful Independents in support of thriving local communities to create sustainable shareholder value.

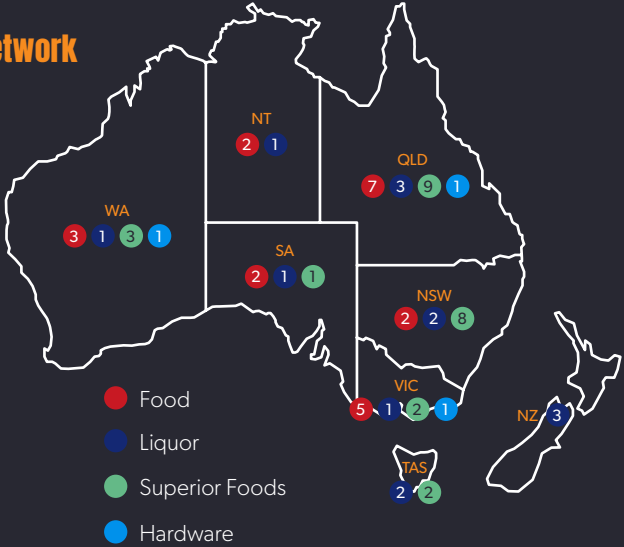
Our vision

To support independents to be the best store in their town; and their communities to thrive. We aim to be the business partner of choice and help create a sustainable future together. For our team members we aim to provide an environment where they can do work they are proud of.

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.

Our distribution network



Governance and reporting

Metcash has established governance structures and risk management frameworks to embed ESG and climate-related considerations within our corporate strategy and decision making. These frameworks ensure oversight of ESG priorities and initiatives across all areas of the business.

Our ESG Council, chaired by the Group CEO and comprised of members of the Group Leadership Team (GLT), plays a central role in leading the direction and execution of Metcash's ESG agenda. The Council ensures our ESG priorities are aligned with the Group's strategic objectives.

To streamline decision making and to provide more granular oversight of activities, the Council is supported by the ESG Working Group. Formed in FY25, the group includes representatives from key business functions such as Merchandise, Store Network Liaison, Property, Sustainability and Finance.

To further strengthen ESG oversight at the Board level, Metcash established the Safety & Sustainability Committee in 2023. The Committee receives written updates each quarter on ESG-related performance and progress towards our targets. Its purpose is to support the Board in fulfilling its responsibilities regarding Metcash's environmental, safety and sustainability policies, strategies and practices. This includes reviewing performance against targets, identifying key trends, overseeing investigations, and ensuring appropriate reporting and disclosure.



Metcash DC, Truganina, VIC

Governance and Reporting continued



Our AASB S2 Implementation Governance Structure



AASB S2: Climate-related disclosures

In September 2024, the Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024 was passed into law. This requires Metcash, as a Group 1 reporting entity, to prepare and disclose our first climate-specific sustainability report in FY26, alongside our financial statements. Following the approval of the climate and sustainability assurance requirements by the Auditing and Assurance Standards Board (AUASB) in January 2025, Metcash will be required to seek limited assurance over its AASB S2 climate-related FY26 disclosures with regards to governance, strategy – risks and opportunities, and its Scope 1 and 2 emissions. We are also required to disclose our climate-related scenario analysis, transition plans, risk management and any climate-related metrics and targets.

Throughout FY25, we have been working through an implementation roadmap, leveraging internal resources, together with third-party consultancy support, to deliver business readiness to report for FY26. We are progressing on schedule with implementation broken up across three primary work streams, leveraging cross-pillar expertise from stakeholders in finance, sustainability, property, merchandise, retail and logistics.

As at the end of FY25, we have achieved key milestones in our implementation roadmap to AASB S2 compliance. These include:

- Establishment of key governance structures
- Commencement of a review and reassessment of our risks and opportunities
- Alignment of Scope 1, 2 and 3 emissions inventories with the financial year, including limited assurance of FY25 Scope 1 and 2 emissions

From FY26, climate reporting will be published alongside our financial statements with the title **Sustainability Report**. Our separate report on broader sustainability matters, aligned to GRI, has been renamed the **Environmental, Social and Governance Report** and will be published yearly in September.

Governance and Reporting *continued*

Global Reporting Initiative

Our sustainability reporting continues to evolve, and this year we will fully align with the Global Reporting Initiative (GRI), building on the past two years when we reported with reference to the GRI.

New sector-specific GRI standards on Biodiversity and Climate Change are expected to be released in the near term for reporting against. Once these standards are available, we will reassess and update our materiality matrix to reflect our evolving understanding of these issues and their relevance to our business.

The key topics of relevance to our stakeholder groups, determined by our existing materiality assessment, are outlined in the table below:

Table 1: Material topics to our business by stakeholder

Stakeholders	People	Planet	Supply Chain
Consumers	<ul style="list-style-type: none"> Employee health, safety and wellbeing Diversity and inclusion Community engagement and impact 	<ul style="list-style-type: none"> Waste, recycling and circular economy GHG emissions, energy and climate resilience 	<ul style="list-style-type: none"> Supply chain resilience and local sourcing
Retailers	<ul style="list-style-type: none"> Employee engagement, development and retention Community engagement and impact 	<ul style="list-style-type: none"> GHG emissions, energy and climate resilience Waste, recycling and circular economy 	<ul style="list-style-type: none"> Supply chain resilience and local sourcing
Suppliers	<ul style="list-style-type: none"> Community engagement and impact Employee health, safety and wellbeing 	<ul style="list-style-type: none"> Waste, recycling and circular economy GHG emissions, energy and climate resilience Water stewardship 	<ul style="list-style-type: none"> Human rights and modern slavery Responsible procurement
Employees	<ul style="list-style-type: none"> Diversity and inclusion Employee engagement, development and retention 	<ul style="list-style-type: none"> Waste, recycling and circular economy GHG emissions, energy and climate resilience 	<ul style="list-style-type: none"> Human rights and modern slavery Responsible procurement Supply chain resilience and local sourcing
Investors	<ul style="list-style-type: none"> Employee health, safety and wellbeing Diversity and inclusion Transparency, ethics and integrity 	<ul style="list-style-type: none"> Waste, recycling and circular economy GHG emissions, energy and climate resilience 	<ul style="list-style-type: none"> Human rights and modern slavery Supply chain resilience and local sourcing
Board/Executive	<ul style="list-style-type: none"> Community engagement and impact Employee engagement, development and retention Diversity and inclusion Cyber security and data privacy 	<ul style="list-style-type: none"> GHG emissions, energy and climate resilience Waste, recycling and circular economy 	<ul style="list-style-type: none"> Supply chain resilience and local sourcing Responsible procurement

Governance and Reporting continued



Alice Springs, NT (Photo credit: Photon Energy)

Dow Jones Best-in-Class Indices

Metcash has scored in the 90th percentile in the Dow Jones Best-in-Class Indices (previously known as the Dow Jones Sustainability Index) in our category of 'International Food and Staples Retailing'. This reflects a 1% increase against peers year-on-year driven by a 16% improvement in our overall score.

In FY25, we focused on further developing governance, transparency and metrics to support material improvements in the areas of:

- Energy
- Waste & Pollutants
- Supply Chain Management
- Climate Strategy
- Biodiversity
- Labor Practises & Human Rights

Looking to FY26, we expect to see further improvements in transparency scores, as we expand the portfolio of assurance associated with ESG reporting and metrics.

Carbon Disclosure Project (CDP)

In FY25, Metcash scored a 'B' for Climate in CDP reporting, improving from 'C' in FY24. This was achieved through incremental enhancements in our governance mechanisms, value chain engagement and our metrics methodologies.

With mandatory AASB S2 reporting from FY26 onwards, we have opted to discontinue reporting against the CDP. We expect that the governance, strategy, metrics and targets associated with our upcoming AASB S2 disclosures, in conjunction with current GRI reporting, will provide a high level of transparency regarding our emissions and climate-related matters.

Our People

We are committed to fostering an inclusive and high-performing culture; one that values diversity, empowers individuals and creates a workplace where everyone feels they belong. Our ambition is to foster a workplace where everyone feels part of something bigger, each of our unique strengths contributes to our shared success and we all do work we are proud of.

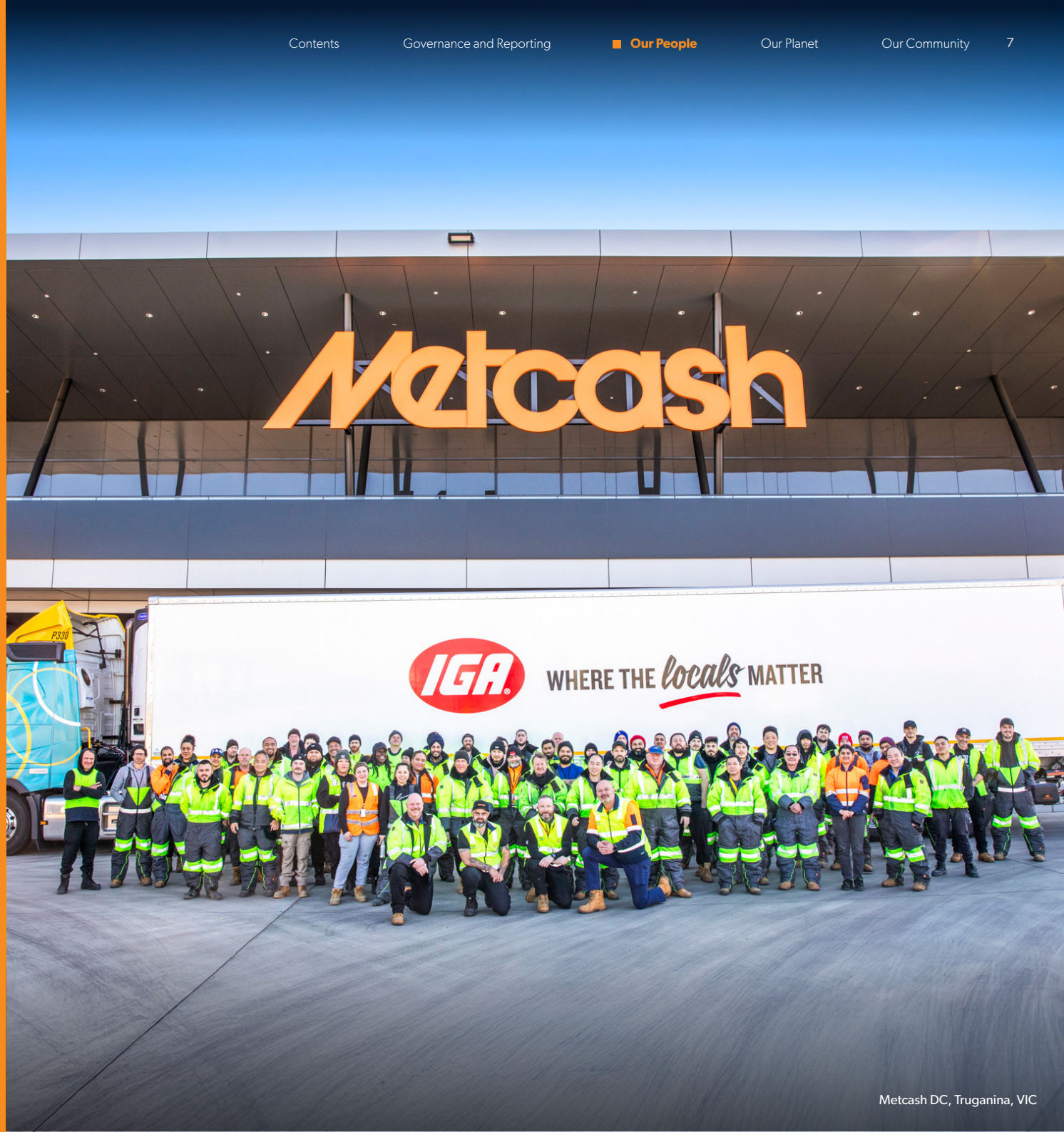
Gender pay gap

<1%

Total Reportable Injury Frequency Rate (TRIFR)

13.8

~4% improvement on FY24



Our People continued

Diversity, Equity and Inclusion

Metcash is made up of a diverse and vibrant workforce, as reflected from the composition of participants in our 2025 Employee Engagement Survey where:

- 28% of our workforce identify with a culture or ethnicity other than Australian
- 6% of our team members are living with a disability (physical or neurodiverse)
- 40% have parenting or caregiving responsibilities outside of work
- 3% identify as part of the LGBTQ+ community
- 5% identify as First Nations (including Aboriginal, Torres Strait Islander and Maori)

We ensure our policies and workplace practices recognise the diverse experience of our people and support them both professionally and personally. Our Diversity, Equity & Inclusion (DEI) Policy underpins our commitment to building an inclusive culture that reflects and better serves the communities and customers we engage with. Our People & Culture Committee reviews people policies annually to ensure ongoing alignment with evolving legislation and best-practice standards.

We actively cultivate an environment where our people feel safe, valued and supported by:

- Creating an inclusive, equitable and diverse workplace
- Driving awareness and education on DEI through ongoing conversations and learning
- Championing diverse representation at all levels, ensuring leadership reflects the communities we serve
- Embedding inclusive policies that promote fairness, transparency and accountability
- Building inclusive collaboration through diverse perspectives

We have a zero-tolerance approach to unlawful discrimination, bullying, harassment and victimisation.



Metcash employee volunteers

Gender Equity: A commitment to equal opportunities

We are dedicated to building a diverse leadership pipeline by providing equitable opportunities for all. We continue to track progress against our 40:40:20 gender balance target, with current representation at:

- 32% female representation across the organisation
- 35% female representation at manager level
- 43% female representation for Non-Executive Directors
- 41% female representation at our Key Management Personnel, Executive and General Manager level

Our commitment to addressing gender pay equity remains strong. We are pleased to report that our gender pay gap is neutral as recognised by WGEA. The full WGEA report for 2024-2025 can be found on the Corporate Governance page of our website.

Inclusive recruitment

We continue to refine our Employee Value Proposition (EVP) to ensure Metcash is an attractive and safe workplace for people of all demographics. Through our employer branding activities, we reflect the diversity of our workforce and communities that helps us attract the widest variety of talent. Our enhanced recruitment strategy includes:

- Implementing targeted sourcing strategies to attract diverse candidates
- Using gender-neutral language in job advertisements through the use of a gender decoder
- Showcasing our diversity in all recruitment marketing and brand campaigns

We also actively encourage women in non-traditional roles, opening new pathways for career growth and industry transformation. Our recent partnership with the National Association of Women in Operations enables us to offer mentoring, training and networking as an additional focus on gender diversity in traditional male dominated roles.

Our People continued

Supporting growth and leadership

We are committed to breaking down career barriers and ensuring every employee has clear pathways for progression. Our Metcareers framework provides visibility on career opportunities, helping employees identify transferable skills and potential promotions.

Through our Strive program, we provide mentorship, training and networking opportunities designed to elevate women in leadership. This initiative nurtures talent and supports the career growth of women across Metcash.

Flexible and inclusive policies

We understand that flexibility is essential to building a thriving and engaged workforce. This year we are proud to be recognised as a FlexReady organisation for the seventh consecutive year. This certification acknowledges employers who foster flexible working environments and actively support flexible arrangements for both current team members and prospective candidates. Achieving FlexReady status with a score of 88%, well above the cohort average of 73%, reflects our ongoing commitment to workplace flexibility.

Through our Ways of Working initiative, we enable teams to co-design work structures that align business priorities with individual needs. Our progressive approach extends to parental leave, offering inclusive support for a wide range of family circumstances, including birth, stillbirth, miscarriage, surrogacy and adoption.

We also offer various other paid and unpaid leave for:

- Employees affected by domestic violence
- Volunteering opportunities to support local charities and communities
- Gender affirmation

In recognition of our workplace inclusion efforts, Metcash has maintained its bronze tier status with the Australian Workplace Equality Index.



Metcash employees volunteering for OzHarvest

Our People continued



Celebrating culture and community

We take pride in fostering a workplace where people feel comfortable bringing their authentic selves to work. At Metcash, we have several employee resource groups:

- MetPride (LGBTQ+ inclusion)
- Jumbunna (First Peoples)
- MetGlobe (Multicultural diversity)

These groups are endorsed by executive leaders and play a key role in promoting, educating and supporting our workforce, helping to cultivate a workplace of belonging and inclusion.

To celebrate the contributions of our workforce, we host Family Fun Days at major distribution centres nationwide. These events bring our employees, their families and friends together for a day of appreciation, great food and shared experiences.

Case Study: MetGlobe



Our MetGlobe Employee Resource Group is dedicated to celebrating and sharing the richness of cultural heritages. MetGlobe fosters a workplace where every team member feels they belong and are valued, honouring unique backgrounds and perspectives.

Formed in 2024 in response to insights from our Employee Engagement Survey, MetGlobe is dedicated to ensuring every team member feels valued, celebrated, and empowered to embrace their cultural identity. With the support of our executive sponsor, Danielle Jenkinson, Chief People and Growth Officer, MetGlobe has already made a significant impact by launching major cultural celebrations such as Diwali and Lunar New Year, reflecting the rich demographics that shape our workforce. As we continue to grow, we aim to expand our efforts through education and engagement initiatives that create deeper connections, encourage learning, and foster greater appreciation of the diverse backgrounds that make Metcash unique.

MetGlobe amplifies cultural voices, strengthens inclusion and drives meaningful change. By fostering dialogue, collaboration and partnerships within our business and beyond, we are building a workplace where diversity is not just recognised; it is celebrated.

Our People continued

Health, safety and wellbeing

At Metcash, we are strongly committed to the health, safety and wellbeing of our people, with a clear focus on proactive risk management, building leadership capability and fostering employee engagement. In FY25, we advanced the implementation of our Safety, Health and Environment (SHE) Strategy, supported by improved systems, stronger leadership, and an ongoing culture of continuous improvement.

Progress in key safety metrics and lead indicators

We recorded further improvement in our key safety measure, with the Total Recordable Injury Frequency Rate (TRIFR) reducing by 4%, from 14.3 in FY24 to 13.8 in FY25. The business also exceeded targets across multiple lead indicators: engagement conversations were 45% above target, safety communications 46% above target, SHE inspections 22% above target, and hazard reporting was 30% above target.

Embedding a strong safety culture

The roll-out of the new Work Safe, Team Safe, Home Safe safety branding across the Group reinforced a refreshed and unified message of safety accountability and responsibility. This branding encapsulates the core belief that safety is a shared responsibility: that every team member has a role to play in working safely, supporting one another in the workplace and ensuring that everyone, every day, gets home safely.

This year, we introduced Golden Rules – mandatory health and safety requirements for all team members and contractors at Metcash sites. These non-negotiable standards set clear expectations and reinforce our commitment to making safety our top priority.

**WORK SAFE
TEAM SAFE
HOME SAFE**

A program milestone during the year was the completion of the SHE Management System Standards review, with updated standards rolled out alongside a suite of e-learning modules designed to connect SHE principles to day-to-day operations and build capability across teams. Our learning modules deliver content that is consistent, current and aligned to the relevant SHE Management System Standards.

A review of the SHE Team Operating Model occurred during the period to enhance team structure, capability and responsiveness. The result of this is an expanded resource base which reports into the Group centre, maintaining a strong focus on partnering with site operational teams.

Building safety leadership capability

Leadership continues to play a critical role in Metcash's SHE performance. Over 450 frontline and senior leaders were trained in the Leading SHE at Metcash program during FY25. This training arms our leaders with the knowledge, tools and confidence to proactively identify and manage safety risks, foster a culture of care, and to lead by example. By enhancing their safety leadership capabilities, the program strengthens their ability to support the physical and psychological wellbeing of our team members and reinforces a shared commitment to continuous improvement. The program was held with frontline leaders both in classroom sessions as well as virtually – providing operational flexibility and enabling critical frontline team members to participate without having to travel.



Our People continued

Wellbeing initiatives and support systems

This year, our Work Well Program continued to expand, offering engaging 'Wellbeing Wednesday' webinars and access to expert clinicians in the physical, mental and emotional health fields. FY25 also saw the successful transition of the Employee Assistance Program provider to Converge, improving access to counselling and offering many additional wellbeing support services.



Metcash continues to invest in mental health support, with over 400 team members, including 75% of our Group Leadership Team, now trained as Mental Health First Aid (MHFA) Officers. These officers are supported through quarterly upskilling sessions, and the business maintains its accreditation as a MHFA Australia-endorsed workplace.

Risk management and system integration

This year saw the introduction of a comprehensive Critical Risk framework, including deployment of Critical Risk Reviews which are tailored checklists for each of the Group's top risks. These reviews are conducted by frontline leaders to assess the effectiveness of critical controls in place. These activities are now embedded as a new and impactful lead safety KPI.

The design and implementation of a psychosocial risk framework was also achieved in FY25, recognising the growing importance of psychological safety and mental wellbeing at work.

Enhancement projects for the Safe Work Operating Procedure (SWOP), Job Safety and Environmental Analysis (JSEA), and Verification of Competency (VOC) progressed, further supporting frontline risk management practices.

Metcash also implemented two key platforms to enhance safety performance and oversight: the Evotix reporting system and the LinkSafe contractor management system. These systems were successfully rolled out across the majority of Metcash sites. The new systems streamline and digitise safety reporting and contractor management, supporting a safer workplace.

Looking ahead

In FY26, we will build on our progress by further strengthening our safety culture, enhancing leadership capability, and improving risk management across the Group. Key initiatives include the launch of a second Safety Culture Survey, updated leadership training, expanded induction and e-learning programs, and the integration of critical risk reviews with an emphasis on measuring the effectiveness of critical controls.

The business will enhance site-level safety through risk profiling and targeted support, while improving supply chain and transport safety standards. Wellbeing remains a priority, with expanded psychosocial risk assessments and stronger mental health support. Environmental initiatives will be integrated into SHE activities, and continuous improvement will be driven through risk-based audits and site improvement plans.

Metcash will also continue to pursue innovation and cost efficiency by reviewing its approach to wearable technology and early intervention support to reduce injuries related to manual handling. These initiatives are designed to support a safer, healthier, and more engaged workforce.



Our Planet

As Australia's leading wholesaler and service provider to independent businesses, we are committed to reducing emissions and minimising our environmental impact across our operations and extended value chain. We view collaboration with suppliers, retailers and local communities as critical to accelerating progress toward a lower-carbon future and managing long-term climate-related risks to the business

Achieved interim 2030 emissions target

3.3%

decrease from pcp
(excl. Superior Foods)

Installed solar capacity

8,289 kWp³

3. Includes Darwin facility with solar currently being installed.



Our Planet continued

Climate risk and resilience

We continue to assess our climate risk management framework in response to the increasing frequency and severity of acute physical climate events. These events can pose challenges to our operations, particularly our distribution centres (DCs), supply chains, and cold chain logistics, and may increase operating costs through higher insurance premiums and asset disruption.

To address this, we have embedded climate risk considerations into our enterprise risk management framework through the ongoing use of the Climate Change Risk and Opportunity Register and the development of site-specific climate risk registers. These tools and considerations are linked to our broader Business Resilience Framework to support anticipation, response and adaptation.

These efforts have been in place to support our voluntary alignment with the Taskforce on Climate-related Financial Disclosures (TCFD) over the last three years. Due to the comprehensive disclosure requirements under AASB S2 we will no longer refer to the TCFD with respect to our climate governance, strategy, risk management or metrics and targets.

In preparation for AASB S2, we established a dedicated Steering Committee and Working Group, with regular reporting to the ESG Council, Audit Risk and Compliance Committee, the Safety and Sustainability Committee and through to the Board.



Metcash DC, Truganina, VIC

To ensure comprehensive coverage of climate-related risks and opportunities (CRROs) identified through the earlier TCFD process, we are undertaking a re-evaluation by conducting cross-pillar workshops, administering management surveys, and reviewing industry practices and investor perspectives to identify and address any potential gaps. We will then test our response to material CRROs based on two climate scenarios. A bespoke financial quantification model will then be developed to model and assess current and future financial impacts of material CRROs and those requiring qualitative or quantitative analysis and disclosure based on AASB S2 guidance.

Metrics and targets

In FY25, Metcash achieved a 3.3% reduction in Scope 1 and 2 GHG emissions compared to the prior year (excluding Superior Foods emissions) meeting its near-term emissions target. Our other existing targets, guided by the Science Based Targets initiative, are:

- 42% reduction in Scope 1 and 2 emissions by 2030
- 100% renewable electricity by November 2025⁴
- Net-zero Scope 1 and 2 emissions by 2040

To meet these goals, we continued improving energy efficiency, expanded solar installations and implemented on-site energy management initiatives.

4. Renewable electricity target is for Australian operations only and excludes Superior Foods sites.

Our Planet continued

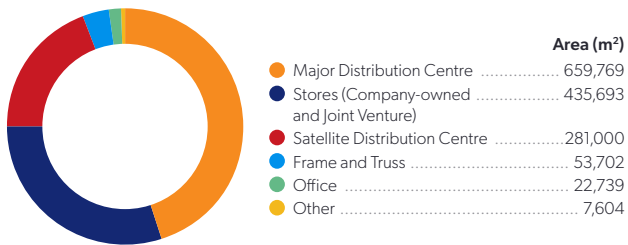
In addition to emissions reductions, we are conscious that energy efficiency matters, regardless of whether the source of our energy is fossil fuel based or renewable. We have set a commitment to continuous improvement of our electrical energy intensity per m². We will continue to monitor progress and consider appropriate targets in the short to medium term.

In preparation for AASB S2 compliance, we have moved from reporting emissions aligned to the NGER (National Greenhouse and Energy Reporting) methodology to tracking and reporting emissions based on the Metcash financial year. These figures will incorporate international entities, provide market-based as well as location-based inventories and receive limited assurance.

Emissions and energy

At Metcash, we operate over 250 sites across Australia and New Zealand. Our property portfolio is diverse, ranging from large distribution hubs through to small retail stores serving local communities. The major acquisition of Superior Foods in FY25 has led to our re-baselining threshold being exceeded. The acquisition included the addition of several sites, including many distribution centres.

Figure 1: Breakdown of our operational footprint



Scope 1 and 2 emissions

We are pleased to report that our Scope 1 and 2 emissions decreased by 16.8% (excluding Superior Foods)⁵ against the 2020 baseline year, slightly better than our trend line target for reaching a 42% reduction by 2030.

This year, we updated our emissions reporting approach to establish early alignment with the upcoming AASB S2 requirements. Our emissions data will now be reported in accordance with Metcash's financial year and include our New Zealand operations. This marks a shift from our approach in previous Sustainability Reports which followed NGER period of July to June for Australian operations only. We report our Scope 1 and 2 emissions using operational control, in alignment with the GHG Protocol.

Our emissions reporting aligns with GHG protocol guidance, and utilises the following methodologies:

- NGER Measurement Determination
- New Zealand Ministry for the Environment, Measuring Emissions

We are in the process of updating our emissions baseline year for our Paris-aligned target for Scope 1 and 2. We are re-baselining to FY24 to reflect:

- The acquisition of Superior Foods and several other hardware operations in FY24
- Alignment with AASB S2 requirements for financial year emissions disclosures
- The opportunity to incorporate New Zealand entities into our target for completeness
- Absence of actual emissions data that would have provided Metcash with the confidence of back calculating our acquisitions' 2020 greenhouse gas emissions



Alice Springs, NT (photo: Photon Energy)

5. Reduction based on NGRS24 dataset, which is aligned to our 2020 baseline reporting period.

Our Planet continued

Table 2: Metcash's emissions over time

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)
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
FY25**	34,712	66,874	101,586	78,624	113,336	100	107,945,138	4,958,072

*NGER reportable period July-June ** FY reportable period May - April

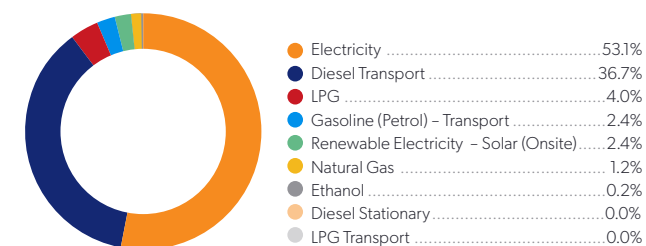


Energy

Due to major acquisitions in FY25, our use of non-renewable energy rose to 713,928 GJ – a 65.8% increase from the previous year. Grid electricity consumption also grew by 30.8%, reaching 107,945 MWh. This growth coincided with a 20.2% increase in total operational floor space. We also saw a sharp rise in onsite renewable electricity use, with our sites consuming more than 4,958 MWh of solar-generated electricity throughout FY25 – an increase of nearly 360% compared to the prior year.

Following the acquisition of Superior Foods, fleet expansion across the Food supply chain led to an increase in Scope 1 transport fuel use. While our energy profile remains mostly non-renewable, we continue to progress initiatives aimed at increasing renewable energy uptake.

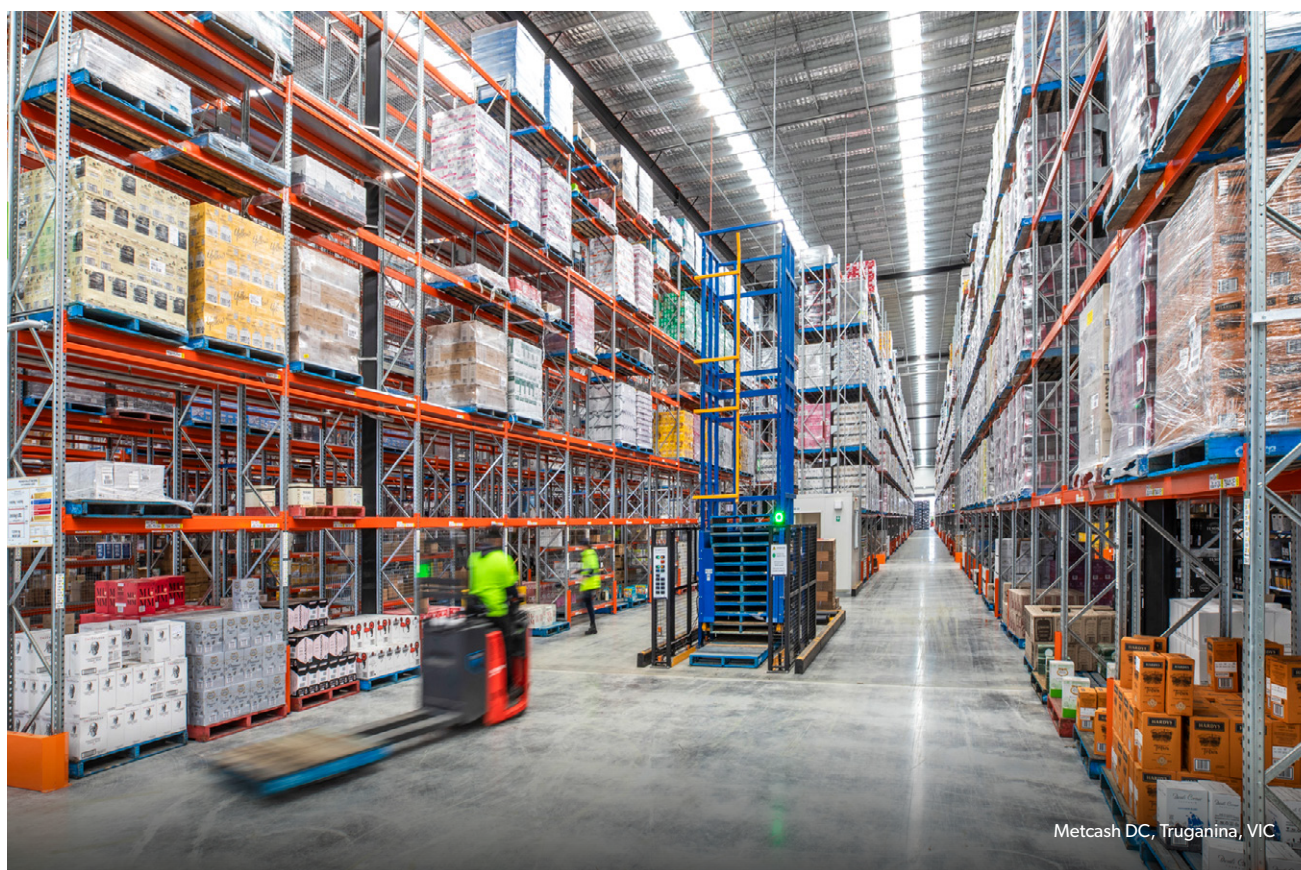
Figure 2: Energy consumption within Metcash (GJ)



Our Planet continued

Limited assurance

Our preparation for AASB S2 compliance has included undergoing limited assurance over our FY25 Scope 1 and 2 emissions. This is our fourth year of receiving limited assurance over our emissions data, which positions us well for the upcoming AASB S2 assurance requirements.



Metcash DC, Truganina, VIC

6. 100% of the upfront carbon associated with the project was required to be offset by the developer through their purchase and retirement of carbon offsets approved by the Green Building Council of Australia.

CASE STUDY

Our 5 Green Star DC Opens: Driving Positive Impact through Sustainable Design

Sustainability was an integral consideration when we first engaged developers to envision a ~110,000m² 5 Green Star rated facility in Truganina, Victoria. The site marks a significant milestone in our decarbonisation journey, designed to support our transition to net zero. As one of Australia's largest single-storey warehouses, it is proudly all-electric with no gas connections, has 35 chargers for electric vehicles, and is supported by a 2.7MW rooftop solar system generating clean, renewable energy on-site.

To further our commitment to low-carbon operations, we entered into a GreenPower electricity agreement at the site ensuring 100% of electricity is sourced from renewable sources. High-performance insulation, glazing, and HVAC systems contribute to energy efficiency, while LED lighting and abundant natural daylight reduce the need for artificial lighting. As a result, the building's energy use is expected to be at least 30% lower than a similar building, and its upfront embodied carbon has been reduced by 10%, with offsets⁶ used to assist the site in reaching full neutrality for construction emissions. In addition to these emissions and energy benefits, the site development and construction also considered drought resistance, water sensitivity and biodiversity, in line with Green Star requirements.

These initiatives are supported by a comprehensive building analytics platform, enabling ongoing monitoring and optimisation. Together, they align with Green Star targets and Metcash's broader environmental goals, helping to deliver energy-efficient, low-emissions operations.

Our Planet continued

Property

We are committed to seeking energy efficiency opportunities to realise both cost and emissions reductions. Initiatives implemented in the year include: Variable Speed Drives (VSD), Power Factor Correction (PFC) installations at several sites, sub-metering for improved energy monitoring, advanced lighting controls at Crestmead DC, and further refrigeration control upgrades in our perishables shed at Huntingwood. Collectively, these measures are projected to reduce electricity consumption by over 117,000 kWh per annum. Some of these initiatives are demonstration projects, and once proven effective, they will be scaled across other Metcash distribution centres - contributing to further energy savings in the future.

The most impactful of these initiatives will be the implementation of VSDs at Huntingwood DC. VSDs dynamically adjust compressor motor speeds to match refrigerant pressure demand, enabling the system to operate more efficiently under varying loads, seasonal conditions, incoming product temperature, and door usage. This adaptability not only stabilises pressure fluctuations within the refrigeration pipe network but also optimises energy use.

The year also included our Canning Vale DC in Western Australia undergoing a major refrigeration modernisation upgrade. This included the installation of a new ammonia refrigeration compressor, VSD, intelligent air purge, and the implementation of advanced compressor pressure control strategies.

Industry estimates suggest that VSD compressors can achieve energy savings of ~35%⁷ compared to traditional fixed-speed or load/unload systems. By tailoring output to match actual site requirements, the Canning Vale upgrade is expected to deliver both immediate and long-term reductions in electricity use and associated emissions, contributing to Metcash's broader decarbonisation targets.

Energy monitoring

Metcash continues to monitor electricity and interval data, with alerts established to identify and act on energy-saving opportunities across the network. Since February 2024, 35 opportunities have been triggered through these alerts. Investigations revealed use of manually controlled air conditioning and lighting systems was not optimised, particularly after hours. Seven of these opportunities were actioned across Food, Liquor, and Hardware retail sites, addressing after-hours lighting and air conditioning loads - an intervention estimated to have avoided approximately 138 MWh per annum in energy use. Opportunities to shift peak demand at Liquor and Hardware stores have also been identified.



7. Source: <https://www.controleng.com/how-variable-speed-drives-save-energy-for-manufacturers/>



Our Planet continued



Solar

FY25 marked Metcash's largest year to date for solar installations. Our dedicated Solar Working Group drove significant progress by identifying and delivering projects across sites with the highest potential for reducing grid electricity consumption.

We had several major systems go live, including a 320kW system at Campbells Alice Springs, 1.7MW at the Canning Vale Distribution Centre and a 2.7MW rooftop system at the new Green Star certified Truganina DC. This brought a combined additional 5,135 kWp to our network in FY25, raising our total installed capacity to 8,289 kWp.

In the year, Metcash's total solar output increased to ~5.9m kWh, over three times more than the prior year. These additions support the Company's long-term commitment to moving away from fossil fuel based energy.

Fleet

With the acquisition of Superior Foods and their use of owned or operated delivery trucks, our fleet fuel consumption increased by 180% and now represents 19.9% of Metcash's direct Scope 1 and 2 emissions. We continue to source hybrid vehicles as we replace our passenger fleet and are reviewing fully electric vehicles and how they fit into the business operations, particularly in regional areas. We continue to monitor developments and brands entering the market that offer battery electric solutions for small to medium sized rigid trucks. This is being considered in the broader context of solar, batteries and EVs for our sites that own and operate their own fleet. For our forklifts and material handling equipment, we are continuing to transition and electrify replacements, utilising lithium and/or lead acid batteries in place of liquid petroleum gas.

Scope 3 emissions

Metcash has a complex supply chain that spans three distinctive operating pillars of Food, Liquor and Hardware. Our Scope 3 emissions accounting undergoes continuous refinement as we progressively improve the accuracy and granularity of our emissions inventory. In preparation for AASB S2 requirements we revised our data periods previously used for Scope 3 and aligned them all to match our financial year.

This year included a step-change in the accuracy of our emissions inventory through utilising lifecycle assessment (LCA) data. We have also shifted from spend-based to hybrid methodologies – leveraging activity-based data from our operations and the supply chain where available. Our hybrid methodology utilises product weight data and volume sold metrics in emission calculations to accurately reflect our supply chain footprint for traded products.

Our Planet continued

Improving the quality of Scope 3 accounting

Building on progress in FY24, this year we undertook a significant project to integrate lifecycle assessment (LCA) data into our emissions reporting framework. LCAs evaluate the emissions associated with a product throughout its entire life cycle, from the raw material inputs through to the consumption and disposal of that product.

This marks a shift from traditional desktop audits and supplier questionnaires towards a more comprehensive and data-driven methodology. By leveraging LCA datasets, we are now able to more accurately represent the emissions footprint of our traded goods and services portfolio. This change in approach represents a major advancement in how we quantify and manage our Scope 3, Category 1 emissions.

Together with an external consultant, we assessed the most material commodities in our supply chain and leveraged granular cradle-to-grave LCA datasets across 30 key product categories to provide a more scientifically robust view of our Category 1 emissions. These key categories account for 68% of spend from the total Metcash group. The product categories selected for review under LCAs were based on materiality according to the volume of distribution.

The majority of sourced LCA emission factors came from SimaPro LCA datasets, favouring recent and Australian assessments. For the remaining categories not covered by SimaPro, we utilised publicly available data and literature.

The outputs of this assessment allowed us to make significant improvements in the estimation of our Scope 3 emissions across the categories of:

- Category 1 – Purchased goods and services
- Category 4 – Upstream transport and distribution
- Category 11 – Use of sold products
- Category 12 – End of life treatment of sold products

Category 1

Purchased goods and services

5,138,769 tco₂e

Category 3

Fuel and energy-related activities

14,248 tco₂e

Category 4

Upstream transportation and distribution

463,143 tco₂e

Category 5

Waste generated In operations

5,653 tco₂e

Category 6

Business travel

2,202 tco₂e

Category 7

Employee commuting

8,274 tco₂e

Category 11

Use of sold products

82,898 tco₂e

Category 12

End-of-life treatment of sold products

291,263 tco₂e

Refer to GRI Index for Standards, methodologies and assumptions used for Scope 3 inventory.

Our Planet continued

Improved visibility of Scope 3 emissions

FLAG (Forest, Land and Agriculture) emissions are a category of greenhouse gas emissions that are associated with land-use, land-use change and land management. They represent the third-highest emitting sector, or 22% of global greenhouse gases⁸. For the first time, we have been able to break down these emissions across FLAG and non-FLAG components. This categorisation of emissions is relevant to Metcash, as our supply chain includes the production, processing and sale of food and beverages.

The cradle-to-grave emissions associated with the material product categories were reviewed in full, focusing on processes involving land use and management activities. These were broken down across the following categories:

- Land management – Fertiliser: *emissions from fertiliser production*
- Land management – Direct: *emissions from direct land management activities (e.g. emissions within the housing system for dairy cows)*
- Land management – Equipment: *emissions associated with the use of equipment in land management*
- Land management – Miscellaneous: *any emissions related to land management that cannot be classified under one of the above land management categories*
- Non-FLAG: *emissions outside the Food, Land and Agriculture sectors*

The majority of Metcash's emissions are present in our supply chain carbon footprint, across our upstream and downstream activities. Of our total emissions, 2.7% are from our organisational footprint (including Scope 1, 2 and Scope 3 org), as illustrated below.

Figure 3: Metcash Scope 3 organisation emissions



Figure 4: Metcash FY25 emissions by Scope

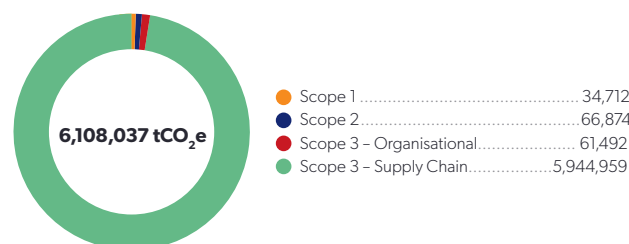
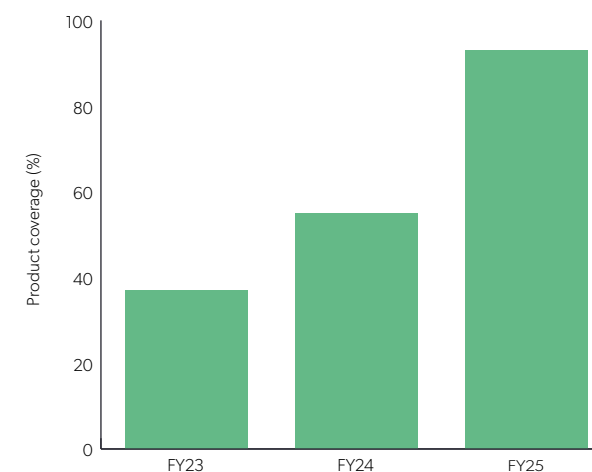


Figure 5: Improved coverage of purchased goods and services across FY23-FY25



Our emissions profile has increased significantly in FY25, due to strategic business acquisitions and material improvements in our ability to estimate Scope 3 emissions.

Under AASB S2, we will be required to obtain limited assurance over our Scope 3 data in FY28. Our preparation for this will include alignment with our value chain mapping and a review of supporting governance processes that underpin our Scope 3 emissions. We will further review the scope of disclosure and explore the availability of data to report against:

- Category 4 – Upstream transportation and distribution: *distribution of retail goods to customers via procured home delivery*
- Category 9 – Downstream transportation and distribution: *distribution of retail goods from retail sites to customers via delivery mediums such as DoorDash and UberEats*
- Category 15 – Investments

8. Refer to SBTi site: <https://sciencebasedtargets.org/sectors/forest-land-and-agriculture>

Our Planet continued

Waste and recycling

A key focus of Metcash's sustainability program is waste management, particularly within our warehouse operations, where we can have the opportunity to influence recycling practices. Beyond our distribution centres (DCs), we encourage and provide guidance on waste reduction and diversion as well as participation in takeback and reuse programs across Company-owned stores and our independent retail network.

Onsite diversion

Diversion from landfill continues to be closely managed at our five mega DCs, three major hardware DCs, 16 Campbells sites and national head office. Cross-functional teams support employees to recognise opportunities and implement improvements such as adopting new recycling streams. Thanks to the combined effort across all pillars, we remain on track to meet our target of 80% diversion from landfill by 2028.

The total diversion from landfill in FY25 across hardware and mega DCs, Campbells stores and national head office was 64% (as reflected in Figure 6), which included an unexpected chiller breakdown in the fourth quarter at the Crestmead DC resulting in a significant amount of spoiled product that required disposal in landfill. If this isolated incident is excluded from the dataset the sites collectively achieved 73% diversion from landfill, up from 66% in FY24. The business-as-usual improvement demonstrates solid progress towards our 2028 goal.

Figure 6: Sites diversion from landfill (YoY comparison)

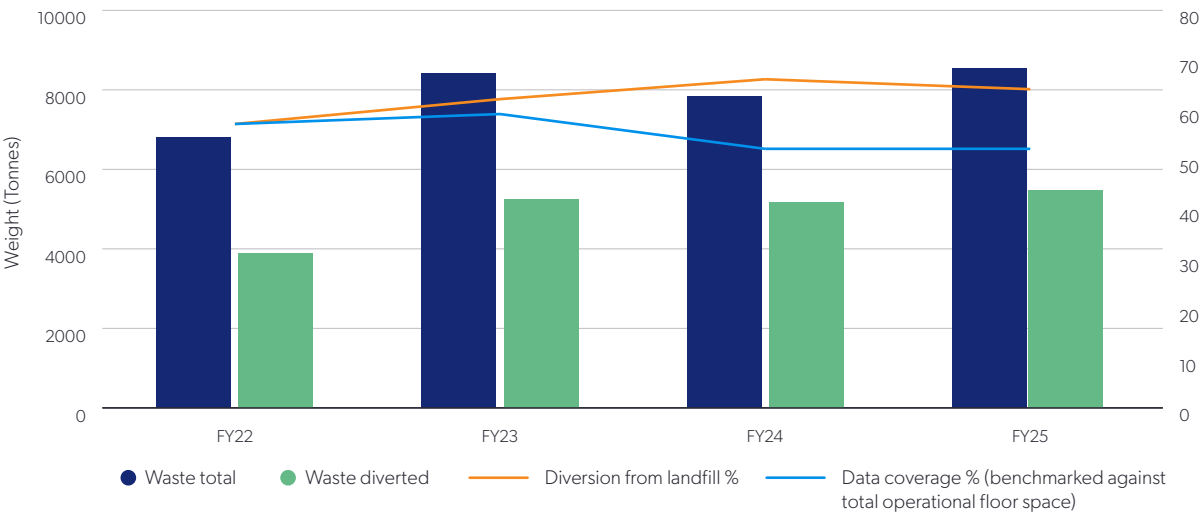
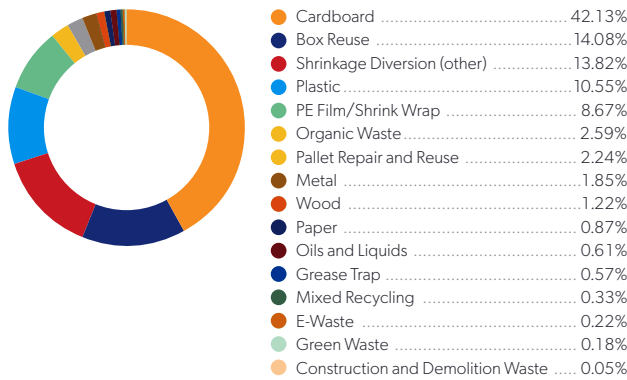


Figure 7: Composition of waste diverted from disposal FY25



Metcash continued mapping Company-owned stores to their respective waste providers to enable central tracking of recycling performance and support increased diversion across these sites. In the Hardware pillar, 14 store groups coordinated with eleven waste providers, resulting in waste data coverage for 82% of these stores. Metcash will continue to collaborate with all Company-owned sites to improve diversion outcomes.

Our Planet continued

Several initiatives to reduce waste and increase recycling were further progressed throughout the year, such as:

- Regular reporting of diversion from landfill performance to internal stakeholders to enhance accountability and drive improvements. This includes monthly meetings with operations managers from each DC to share learnings on recycling challenges and opportunities.
- Conducting recycling 'toolbox talks' for on-site teams to highlight the benefits of waste avoidance and recycling and promote improved practices, such as ensuring recycling bins are easily accessible, as well as best-practice use of pallet wrap rolls to maximise recovery.
- Progressing efforts to minimise unsellable product from going to landfill including close inventory management, repair programs and donation of stock to charity where possible. For example, in FY25 product development teams at Metcash head office made a renewed effort to reduce sample products going to landfill. Combined with improved monitoring of recycling bins to prevent overflow of cardboard into general waste, our head office recycling rate increased by 11% on average compared with the previous year.

Cross-functional collaboration has been pivotal to improving diversion from landfill rates. For example, throughout the year Hardware DCs notified head office when problematic packaging materials, such as polystyrene or black pallet wrap, arrived on incoming pallets. From this, we were able to work with suppliers on more recyclable alternatives. Our primary waste contractor is also assisting to identify waste avoidance and recycling opportunities, such as monitoring landfill bins for recyclable material and ensuring the correct frequency of skip collections so that recyclables don't overflow into landfill bins.

CASE STUDY

Hardware leads the way in recycling at distribution centres

This year, our hardware DCs made significant strides in reducing waste and improving recycling outcomes. Key performance indicators (KPIs) embedded in DC managers' scorecards helped drive accountability, while head office and DC managers created a forum to share successes and troubleshoot challenges. Across the sites, recycling services were expanded, and team engagement around waste management was strengthened through toolbox talks. At our Welshpool DC in Western Australia, these efforts translated into a marked improvement in diversion from landfill – rising from 56% to 68% over 12 month reportable periods.

This progress was underpinned by a series of targeted initiatives, including:

- Installing mixed recycling bins in the staff lunchroom
- Phasing out single-use coffee cups for team members
- Donating unsellable stock to local Men's Sheds and gardening clubs
- Reusing boxes from incoming deliveries for outgoing shipments

A standout initiative saw Welshpool DC successfully divert 6.7 tonnes of fertiliser with damaged packaging from landfill. After reaching out to local environmental organisations, the team successfully coordinated a donation to Greening Australia's seed farm in Coorow, Western Australia. The fertiliser supports the production of native seeds, helping restore degraded landscapes and enhancing biodiversity outcomes.



Our Planet continued

CASE STUDY

Best practice infrastructure sees boost in recycling rate

The Food mega DC at Crestmead in Queensland demonstrates the significant impact that can be achieved through upgrading recycling infrastructure and bin signage. The site installed new recycling bins with instructional signage that is clear for team members. New recycling compactors were also installed, which are easier and quicker to use than the old systems, making correct source separation more likely. The site was also the first to trial canvas bags for collecting used pallet wrap for recycling. These bags are attached to the end of DC aisles, high enough so that forklifts can drive underneath, saving on precious floor space. This innovative design has since been replicated at the new Metcash DC in Truganina, Victoria. Excluding a chiller breakdown incident in February, the waste diversion rate achieved at the Crestmead DC was 71% compared with 57% in the prior corresponding period.



AUSTRALIAN FOODPACT

END FOOD WASTE AUSTRALIA

End Food Waste Australia partnership

As part of an ongoing commitment to reducing food waste, Metcash continues to advance its partnership with End Food Waste Australia (EFWA).

Now in its second year, our Food Pact program is split into four key workstreams:

- **Operations (DCs):** Metcash is in the process of completing its second Food Waste Report in line with the Food Loss and Waste Protocol. In parallel, the steering committee will continue to seek internal support to implement opportunities identified to improve data availability so that future reports better reflect Metcash's food waste impact and opportunity areas.
 - **Supply Chain:** We launched resources on our new supplier-facing MetPlanet website designed to raise awareness and build capability around food waste prevention. These resources demonstrate to suppliers the benefits of addressing food waste, including cost savings, reduced greenhouse gas emissions and decreased resource consumption.
 - **Retail, Brand and Consumer:** The IGA team have leveraged End Food Waste's nationwide consumer behaviour change campaign 'The Great Unwaste' (TGU). The campaign is championing simple, relatable habits like smart food storage, flexible meal planning and creative ways to use leftovers. IGA will provide advertising support through an always-on presence across IGA-owned channels and through supplier activation opportunities.
- Our Private Label team has also co-developed an industry-first initiative with EFWA. Targeting selected Private Label products in categories associated with higher in-home waste like bread, fresh produce and dairy, the campaign has integrated on-pack food-saving messages and QR codes linking to the IGA x TGU hub, offering actionable tips on reducing food waste. This pioneering approach amplifies food-saving messages and will be offered to the wider industry to broaden the campaign's reach.
- **Product Design:** We have embedded food waste reduction principles such as portion sizing and store and customer shelf life into product development briefs and evaluations. The integration of design considerations, alongside the TGU messaging, has been incorporated into the tendering and briefing processes to help ensure that sustainability is embedded from the outset.

Our Planet continued



Food rescue

As well as activities around the Food Pact, Metcash has also continued its partnership with Food for Change to rescue edible food waste from retail stores. This year was the biggest year yet, with the equivalent of 2.4 million meals donated to charities in need. To date, retail stores have donated the equivalent of 6.1 million meals to charity through working with Food for Change.

We also built on our partnership with Foodbank to rescue edible product from the DCs which became unsellable for reasons such as damage. Stock diverted from landfill and distributed to people in need via Foodbank throughout the year equated to 294 tonnes, equal to approximately 530,000 meals for those in need.

De-packaging

We continued to utilise 'de-packaging' facilities throughout the year to prevent spoiled or damaged stock from going to landfill. Following the product destruction process at the facility, organic material is recovered and sent to nearby farms for soil improvement

and the packaging materials are recycled. This year more than 38 tonnes of spoiled product was diverted from Huntingwood DC alone by utilising the de-packaging facility in Spring Farm.

Waste to energy

Our teams at the Huntingwood DC in NSW continue to minimise and recycle waste where possible. This year there were several improvements made for source separation such as consolidating bins and increasing their accessibility, as well as introducing an organics recycling stream. For the dry residual waste that cannot be recycled, a trial was undertaken to collect and transport this material to a local Waste to Energy (WtE) facility, where it was converted into 'processed engineered fuel' which replaces fossil fuels as feedstock for high-energy users like cement kilns. On average the DC sends 28 tonnes to landfill each month, however in March this was reduced to 6 tonnes as a result of utilising the WtE facility. Two other Metcash sites make use of WtE facilities, and the technology is being considered for other locations when a suitable WtE partner is accessible.

Pallet wrap efficiency

Metcash collaborates with its key pallet wrap supplier to implement a hand-wrap film with reduced gauge thickness, leading to plastic savings of approximately 18.5 tonnes over the year. Because less rolls were consumed overall, this change also prevented consumption of approximately 10 tonnes of cardboard cores over the year. Projects were also undertaken to test efficiencies in automated machine film across four of the DCs. Thanks to a more efficient use of wrap across multiple plastic film types, the DCs achieved a 3.4% reduction in plastic consumption compared to the prior year, despite an increase in pallets being moved through the DCs.

Supporting the network

This year tailored waste avoidance and recycling action plans were delivered to 115 Metcash sites including select grocery, liquor and hardware stores as part of the NSW EPA Bin Trim grant program. Sites are also being supported to implement these action plans, with positive improvements already made.

In the Hardware network, key sites have installed new recycling streams like timber, metal and soft plastics, and introduced waste avoidance practices such as reusing boxes for customer sales, reusing timber offcuts as gluts (to elevate or stabilise stock that is stored or transported), and selling timber offcuts on discount.

Grocery stores participating in the program have also achieved positive changes such as installing new recycling streams for soft plastics and batteries, and ~16 stores began investigating on-site organics recycling. In late 2025, waste specialists will measure the effectiveness of the Bin Trim program via a second round of on-site waste assessments at each site.

We also integrated best-practice Waste Guidelines into the store Operations Manual used by the independent grocery network. These guidelines give detailed advice on how to prevent unnecessary waste, re-use materials and increase recycling at both the back and front of store.

Our Planet continued

CASE STUDY

From black to clear: a collective shift toward recyclable pallet wrap

In response to the lack of facilities capable of processing and recycling black soft plastics, the hardware business has taken proactive steps to phase out black pallet wrap from the supply chain. Last year, the Hardware pillar conducted a review to identify suppliers using black pallet wrap and initiated targeted communications with two suppliers and one third-party logistics provider. All three parties committed to transitioning to recyclable clear wrap.

Building on this success, both Hardware and Total Tools expanded the initiative this year to encompass all DC suppliers (as well as direct-to-store suppliers for Hardware). A letter was issued to over 640 suppliers outlining the requirement to use clear pallet wrap to improve recyclability. Exemptions were made only in cases where product integrity could be compromised by UV exposure, ensuring that product protection remains a priority. To support long-term compliance, Hardware has also embedded this requirement into its Supplier Handbook.

Product stewardship

Battery recycling

Metcash has continued to support battery recycling at stores with a total of 827 stores participating in the Ecobatt program this year. These stores recycled over 163 tonnes of batteries in FY25, in turn preventing more than 25 tonnes of CO₂e emissions. The Hardware pillar promotes the use of this battery recycling service through social media, catalogues and in-store promotions.

Plant pot recycling

Metcash is now in its third year of the PP5 Plant Pot Recycling scheme. This scheme recovers leftover plant pots which are made from black polypropylene (PP5), a material great for protecting plants but hard to recycle. Customers can return PP5 plastic pots, trays, stakes and labels, which are then granulated and transformed into new plant pots made from recycled materials. The program also allows for increased reuse of PP5 pots, as pots deposited for the scheme were picked up by members of the community for use in their private gardens.

Through the program, close to 3 tonnes of PP5 waste was diverted from landfill in FY25 across participating Mitre 10 stores. Over the next year the Hardware team will continue to collaborate with the PP5 scheme to investigate opportunities to expand to a wider geographical area thereby servicing a wider range of communities.

Paintback

The Hardware business continues to support Paintback in diverting paint and packaging from landfill and our vital waterways. Australians have safely disposed of more than 60 million kilograms of paint and packaging since the Paintback program was established in 2016. Returned paint is converted into an alternative fuel source replacing coal; or the water is extracted and used by other industries, reducing the reliance on mains water. Additionally, plastic and metal paint packaging are recycled for continued use.

We identified that ~56% of Hardware stores selling paint were conveniently located near a collection site, making them suitable for supporting Paintback's program. A targeted marketing program has been developed to promote awareness of Paintback, inclusive of eLearning and in-store material.

The eLearning module has been completed by 53 store staff in the last year and 113 store staff since inception, educating paint sales staff members about the Paintback program and how to find their closest drop-off point. Our Hardware business continues to work in partnership with Paintback to identify further opportunities for collaboration across the network.

Leading retail innovation in coffee pod recycling

We remain committed to reducing plastic waste by actively supporting circular economy solutions, supporting industry collaboration, and enhancing packaging design across our brands.

According to Planet Ark, Australians consume 3 million coffee pods daily with only 10-20% being recycled. Metcash was the first grocery market participant in Australia to partner with Planet Ark to trial and refine the in-store PODCycle collection system, leading the way in the recovery of these hard-to-recycle materials. Through the scheme, pods are collected and transported to a specialised facility for recycling. The spent coffee grounds are removed from the pods to be processed into compost, and the aluminium and plastic is captured and returned to the circular economy.

Five IGA stores signed up to participate in a collection trial in which we saw over 31,000 used coffee pods be recycled in FY25. We will continue to engage with Planet Ark to help shape PODCycle to achieve the best possible outcomes within the independent network.

Our Planet continued



Sustainable packaging design

We are committed to sustainable packaging design across our private label brands, striving to align with best practice principles to maintain product integrity while minimising environmental impact. Through ongoing collaboration with our suppliers, we actively assess packaging designs to identify opportunities for improvement in material efficiency, recyclability, and maximised product shelf life. Where possible our teams engage with suppliers to incorporate recycled content into packaging. This was demonstrated in Metcash's most recent submission to the Australian Packaging Covenant Organisation (APCO), which reported an increase in the percentage of products with recycled material, a higher percentage of products optimised for material efficiency, and an increase in the percentage of products where all separable packaging components are recoverable.

Key packaging improvements made this year include:

- The Food team removed outer cartons from canned sardines products, eliminating approximately 1.6 tonnes of packaging waste annually
- Hot cross buns were transitioned to a new bag format that reduced plastic by 50%, preventing close to 1 tonne of plastic waste annually. The new format also extends the product's shelf life by 33%, helping to prevent food waste
- Expanded polystyrene and polyfoam were removed from the packaging of 80 Tools products. The Grilled Firewood range (8kg and 12.5kg products) were changed from a woven plastic bag to a cardboard box with 78% recycled content
- In Liquor, the plastic secondary packaging in the 5 Judges 6x2L cask range was replaced with cardboard which resulted in ~2.5 tonnes of plastic avoided annually.

This year, we advanced supply chain efficiency and reduced excess packaging, with the Food pillar piloting AI-driven analysis to optimise space utilisation. This supports lower material consumption and fewer pallet movements.

Our Planet continued

Private label packaging review

Supported by the NSW Environment Protection Authority's Bin Trim Networks Program, the Hardware team worked with an external packaging expert to investigate and improve private label packaging in line with the 2025 National Packaging Targets and NSW Waste and Sustainable Materials Strategy.

Merchandise category managers and suppliers collaborated to review high-volume product packaging types for sustainability improvements. Ten products were selected based on factors like volume of product sales, engaging a wide range of suppliers, and replicability across similar product packaging. An action plan was developed for each assessed product which provided a pathway to enhance material efficiency, increased recycled content, and/or improved packaging recyclability.

The findings and solutions across these initial 10 products have been compiled to create a guidance document and a sustainable packaging procurement action plan. This will be used by the Hardware business' procurement team in the development of future private label packaging.

The learnings from the program were able to be applied to additional products outside the initial scope, with a total of 64 products being updated for more sustainable packaging in FY25. A selection of these improvements is highlighted in the following table.

Table 3: Hardware packaging sustainability highlights

Product name	Improvement	Added Australasian Recycling Label	Estimated impact	Added recycled content
Buy Right Butane Cartridges 3pk	Plastic film changed to cardboard sleeve	✓	▼ 1,217kg plastic p.a.	
Buy Right Clothes Airers	Plastic film changed to cardboard inserts	✓	▼ 260kg plastic p.a.	
Accent PVA Wood Glue	Lid changed from blue to white	✓	Recyclable lid	
Buy Right Drop Sheets	Polyvinyl chloride (PVC) bag changed to more recyclable low-density polyethylene (LDPE)	✓	Recyclable where collections exist	✓
Accent/Buy Right Paint Roller Kits	50% recycled content added to bag	✓	▼ 938kg virgin plastic p.a.	✓
BBQs	Padding changed from polystyrene to 70% recycled cardboard		▼ 3,135kg polystyrene p.a.	✓
Buy Right Hand tools	PVC changed to recyclable PET, with some reducing plastic by up to 50%		Recyclable, reduced plastic	
Buy Right Tape Measures	Printed colour on display box design changed to line drawing		Reduced ink usage	
Accent Sugar Soap	Changed label to recyclable material	✓	Recyclable	

Our Planet continued



Australian Packaging Covenant Reporting

As part of efforts to measure the impact of packaging and opportunities for continuous improvement, Metcash reports annually to Australian Packaging Covenant Organisation (APCO). This year Total Tools was added to the Group report which increased the overall packaging volume reported. Despite reporting a much higher packaging footprint, compared with the year prior we improved on many key markers of packaging sustainability such as recycled content, material efficiency, and recoverability of separable components. Metcash was awarded an 'Advanced' level score for its APCO report.

Australasian Recycling Label

The Australasian Recycling Label (ARL) is a labelling system that provides consumers with clear, detailed instructions on how to dispose of all packaging components. It removes confusion and saves time for the consumer, and reduces contamination in the recycling stream. ARLs are created by first evaluating packaging through the Packaging Recyclability Evaluation Portal (PREP).

As part of continued commitment to designing for recyclability and supporting correct source separation for maximum recovery, we increased the number of products featuring the ARL in FY25. All of the Liquor pillar's private label products continue to feature

the ARL on-pack and at least 70% of products sold across the Food pillar had the ARL in FY25, up from 50% in the previous year. Hardware significantly expanded its packaging evaluations through the PREP, boosting the number of products evaluated from four to 30. These hardware products received approval for ARL artwork and many of those can already be seen on store shelves. Hardware is continuing to engage with suppliers to review packaging through PREP and expand the use of the ARL to support recovery outcomes.

Our Community

Metcash and its independent retailers are committed to meaningful partnerships and grassroots initiatives that are impactful within local communities.

IGA Community Chest Donations

~\$2.6 million
\$42 million since 2010

Battery recycling

~520
tonnes since 2021



Our Community continued

Communities and charities

IGA Community Chest

The IGA Community Chest program continues to make a significant difference nationwide, raising over \$42 million since 2010 to support local community groups, charities and other important causes. Shoppers at IGA stores contribute by purchasing selected products, with a portion of the sale price directed back into their local communities.

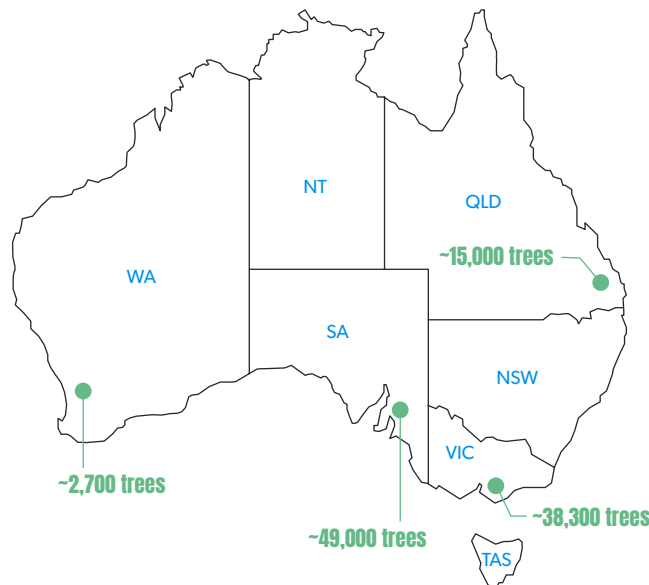
In 2024, the program saw more than 1,400 individual donations to local and national communities and charities with a combined total of over \$2.5million. These donations supported a large number of causes including community schools and hospitals, animal welfare organisations, disability support organisations and local sports clubs.

Metcash remains committed to supporting the IGA Community Chest program and its essential role in strengthening local communities. Through the program IGA continues to collaborate with key national charities that provide localised support at a grassroots level, including:

- **Special Olympics Australia** – A partnership spanning 33 years, empowering individuals with disabilities through sport. IGA has contributed approximately \$2 million in total, including \$243,000 in 2024.
- **McGrath Foundation** – A 17-year collaboration funding McGrath Breast Care Nurses in communities nationwide. IGA's total support over the last 15 years now exceeds \$3 million.
- **St Vincent de Paul Society (Vinnies)** – For over 10 years we have assisted those in need with essential living expenses like food and rent. IGA has provided \$5.2 million in financial aid, including approximately \$389,000 in 2024.

Partnership with Greening Australia

We were proud to continue our partnership with Greening Australia, a not-for-profit organisation focused on restoring landscapes to create climate-resilient, biodiverse environments where people and nature can thrive. Thanks to the collective efforts of suppliers, shoppers, and IGA retailers through the **'Buy One, Get One Tree'** program, approximately 105,000 trees have already been funded during 2024 and 2025.



Greening Australia's Native Seed Centre for Restoration

Our Community continued



IGA Food Rescue Program

The IGA Food Rescue Program empowers independent retailers to donate surplus edible food to those in need within their communities. In partnership with the not-for-profit organisation Food for Change, IGA stores nationwide actively donated available food that would otherwise go to waste. Through a dedicated app, the program directly connects IGA stores with local food relief agencies, ensuring unavoidable food surplus is redirected to support people in need. In FY25, the program delivered over 2.3 million meals – our largest contribution to date.

Case Study:

Mitre 10 supports Nedd's uncomfortable challenge

Over a 10-day period in October 2024, Nedd Brockmann attempted to break the world record for the fastest 1,000 miles run, running over 3,750 laps at the Sydney Olympic Park Athletic Centre. Whilst he fell short of breaking the world record, he raised over \$4.8 million for We Are Mobilise, an organisation dedicated to solving homelessness in Australia.

Mitre 10 supported Nedd during his challenge by providing the materials and tools needed to build his sleeping setup at Sydney Olympic Park. Mitre 10 also created his rest area, where he took his hourly breaks throughout the challenge. From building his bedroom to setting up his relaxation zone, Mitre 10 ensured Nedd had the perfect environment to help him attempt his goal of breaking the world record.



Our Community continued



Hardware community engagement

Throughout FY25, our Hardware own and partner stores have continued to support their local communities. Over \$180,000 was donated to local and national charities, supporting local sports teams, mental wellbeing initiatives and various cancer charities.

In early 2025, North and Far North Queensland saw record-breaking flood conditions. The Hardware team were quick to support, working with merchandise suppliers to donate hardware and cleaning goods from our Berrinba distribution centre to impacted local communities.

Team members have continued to invest in their local communities, utilising Metcash's paid volunteering leave throughout the year. Notably, support staff from Victoria enjoyed a day of tree planting to support koala habitat on the Mornington Peninsula in collaboration with the Mornington Peninsula Koala Conservation (pictured).

Case Study:

National McGrath Foundation fundraising initiative



Building on the outstanding efforts of the Northern Independents, a group of independent stores in north-east NSW who raised \$26,000 in FY24, the broader Hardware network – including independent, partner, and own stores – came together in October to raise an impressive \$318,000 in support of the McGrath Foundation.

The McGrath Foundation raises money to fund Breast Care Nurses right across Australia and invest in their professional development to ensure people with breast cancer receive the highest standard of care. Their mission is to ensure that no-one goes through breast cancer without the care of a breast care nurse.

Funding from the community helps ensure McGrath Breast Care Nurses can continue providing free support to families impacted by breast cancer right across Australia.

More than 200 Hardware stores, along with our distribution centres and support offices, took part in fundraising efforts. These included community BBQs, golf days, charity dinners and bake sales, while staff helped raise awareness by wearing pink shirts at work. Suppliers contributed by donating products for raffles, and our Design 10 brand supported the cause by donating 5% of online sales during October.

Our Community continued



Total Tools x Movember: A powerful partnership for men's health

As a major sponsor, Total Tools and Movember have proudly stood side by side for many years with a shared mission to support the physical and mental wellbeing of men – a cause that resonates deeply within our teams, our customers and the broader trade community.

As Australia's leading professional tool retailer, Total Tools understands the pressures tradesmen face both on and off the job site. By teaming up with Movember, we are shining a spotlight on critical issues like mental health, suicide prevention, prostate cancer and testicular cancer.

Total Tools, with the support of suppliers, store owners and customers, engaged in year-round fundraising with various activations in stores, which culminated in their famous *November Insider Night Season*. In total, the business raised ~\$420,000 in FY25 for the cause. Total Tools is proud to be associated with Movember and continues to support men's health, to ensure every man feels supported, heard and empowered to take charge of his health.



Liquor contributions to charity

Throughout the year our Liquor pillar has made contributions to various charities totalling over \$85,000. In continued support of our Children's Cancer Institute, the entire business got involved with the '86K for a cure' - a fantastic initiative centred around fundraising by participants walking or running 86km throughout March 2025. Metcash team members walked or ran over 12,000km, raising almost \$18,000 for the institute.

Utilising employee volunteer leave, a group of our IBA Queensland team members volunteered at a Gold Coast OzHarvest site, learning about food waste responsibility, meal prepping and packing and food waste reduction. The team made over 100 meals for those in need, preventing food waste that was otherwise destined for landfill.

Our Community *continued*

Responsible sourcing

Our commitment to responsible sourcing in Food spans over 900 private label products. We remain on track to meet our 2025 targets across all categories. On the next page you will find our progress against each of our eight commitments, highlighting the substantial work completed to date. To achieve these outcomes, we have implemented specification upgrades, strategically exited selected products and ensured that standardised briefs are embedded within our tender processes.

Many of the product launches delivered in FY25 reflect our continued commitment to responsible sourcing and improved nutritional outcomes. Each product is assessed against our Ethical Sourcing criteria, which includes requirements for suppliers to be registered with SEDEX or an equivalent recognised social compliance program.



Our Community continued

Food Private Label 2025 – responsible and ethical sourcing commitments

We remain on track to meet all commitments shown below by the end of 2025.

Requirement	Status	Comments
 Display Health Star Rating	🕒	<ul style="list-style-type: none"> On track to meet Health Star Rating (HSR) and No Artificial Flavours No Artificial Colours compliance by end of 2025 Reformulations underway to align with Healthy Food Partnership targets HSR on-pack labelling rolling out progressively aligned with artwork updates
 Certified Palm Oil	✅	<ul style="list-style-type: none"> All palm oil ingredients must be RSPO-certified (Mass Balance or higher) Sign-off processes and reporting established MetSafe enhancements improving data reporting accuracy and consistency
 Certified Timber, Paper	🕒	<ul style="list-style-type: none"> All timber, paper and pulp products are Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), or Sustainable Forestry Initiative (SFI) certified
 Certified Coffee, Cocoa, Tea	🕒	<ul style="list-style-type: none"> Coffee, tea and cocoa single-ingredient products certified under Rainforest Alliance or equivalent Advancing 2028 cocoa commitment for bakery and frozen products ahead of schedule aligning with market
 Certified Pork	🕒	<ul style="list-style-type: none"> All pork products comply with the Australian Animal Welfare Certification System (AAWCS) and the Australian Pork Industry Quality (APIQ) Gestation Stall Free standard, or an equivalent higher certification
 Certified Chicken	✅	<ul style="list-style-type: none"> All fresh chicken products certified RSPCA equivalent or higher Private Label single-ingredient and characterising chicken ingredients meet 2025 compliance
 Certified Seafood (Canned, Frozen, Fresh)	🕒	<ul style="list-style-type: none"> All seafood is third-party certified through recognised sustainability programs such as Marine Stewardship Council (MSC), Aquaculture Stewardship Council (ASC), Best Aquaculture Practices (BAP), or International Seafood Sustainability Foundation (ISSF), alongside additional tuna and social compliance requirements Planned exit from two own-brand Mackerel SKUs due to MSC sustainability rating downgrade
 Certified Cage Free Egg (Shell Egg and Characterising Ingredients)	🕒	<ul style="list-style-type: none"> From January 2026 all shell eggs will be sourced cage-free or higher, from farms certified to Egg Standards of Australia (ESA) Level 3 or above We are ahead of schedule in meeting our 2028 commitments for all characterising egg ingredients to be certified cage-free or higher welfare

Key: 🕒 On track ✅ Target met

Our Community continued



Fresh and proprietary: responsible and ethical sourcing

In fresh, we have engaged with our top 30 suppliers to improve visibility and traceability throughout complex supply chains, fostering a shared focus on sustainability with both suppliers and merchandise teams. These engagements have supported open dialogue and alignment on sustainability priorities, enabling more informed and collaborative decision making.

We are developing joint sustainability summaries through a process aligned with our Joint Business Planning (JBP) framework. These summaries offer a shared view of a supplier's governance maturity and ethical sourcing credentials, helping us celebrate sustainability leaders and support those needing further development.

This year included hosting focused roundtable discussions with corporate ESG leads and supplier sustainability teams, strengthening industry connections and ensuring we stay grounded in practical, informed strategies.

Together, these actions form the foundation for more resilient, ethical and transparent supply chains.

The MetPlanet Sustainability Hub

Introduced in October 2024, the [MetPlanet Sustainability Hub](#) is a centralised communications and resource platform designed to support suppliers in advancing their sustainability goals. The platform provides foundational reference materials for our buying team to encourage routine sustainability discussions with suppliers. Recognising that suppliers are at varying stages of their sustainability journeys, the platform is designed to be practical, accessible and relevant no matter what stage our partners are at in their journeys.

Through MetPlanet, we aim to:

- **Strengthen supplier capability** across our priority areas of focus
- **Support compliance readiness** and responsible, ethical sourcing standards
- **Encourage innovation** and knowledge-sharing across the supply base
- **Foster transparency** and shared accountability

Metcash actively seeks supplier success stories to highlight through MetPlanet, aiming to inspire broader industry progress. Recent case studies have included suppliers such as PepsiCo, Bega Group, Simplot and Bulla. As sustainability challenges evolve, the platform will continue to adapt, ensuring suppliers have access to the most relevant information, tools and support. Looking ahead, Metcash plans to expand MetPlanet with additional content, webinars and further engagement initiatives to drive continued progress.

Our Community *continued*

MetSafe and project lifecycle management technology

This year our Food private label team launched MetSafe, a new data management platform. Throughout the year, the team has transitioned more than 900 product details and process specifications, as well as over 350 supplier records, into the MetSafe platform.

MetSafe's digital infrastructure is helping to:

- Improve efficiency and audit readiness
- Build confidence in data accuracy across our private label supply chain
- Support fast, informed decision making

These tools enable tighter control and clearer accountability at every stage of the product's lifecycle.

The MetSafe product lifecycle management platform has delivered measurable improvements in data accuracy, reporting speed and supply chain traceability. For example, a recent potential ingredient issue linked to internationally sourced dairy was identified and resolved within minutes using MetSafe – avoiding delays and significantly reducing risk.

Sustainability considerations in product development

Sustainability is a core consideration embedded across our Food private label product development process alongside foundational focus areas such as food safety, data integrity and packaging. These principles are reflected in our tender product design criteria and are applied consistently throughout sourcing, development and approval.

Our cross-functional teams bring together commercial leads, product developers, technical experts and supply partners. They collaborate closely to uphold, and where possible, surpass our standards for product performance, sourcing integrity and brand responsibility. This integrated approach carefully balances customer expectations, regulatory requirements, commercial outcomes and speed-to-market.

Case study: Delivering sustainability goals: Ready Meals



In line with our broader sustainability commitments, we collaborated with our Italian ready meals supplier to implement a series of targeted improvements as part of a recent product launch. The outcomes of this project demonstrate how cross-functional, supplier-led partnerships can support measurable progress against key ESG objectives – including waste reduction, responsible sourcing and consumer wellbeing.

Key achievements include:

- **Freezer-friendly Design:**
Products are now suitable for freezing, helping to reduce in-home waste.
- **Certified proteins:**
All proteins used across the range are responsibly sourced and certified according to our Code of Practice.
- **Sustainable packaging:**
Packaging sleeve is made from FSC-certified materials, supporting responsible forestry practices.
- **Clean label standards:**
The full range is NAFNAC compliant (No Artificial Flavours or Colours).
- **Improved nutrition:**
Products align with the Healthy Food Partnership (HFP) and Metcash's internal Health Star Rating targets. Nutritional reformulations focused on key nutrients of concern, including sodium reduction, without compromising product quality.

Our Community *continued*

Human rights and anti-slavery program

We continue to advance our approach to managing modern slavery risks, particularly within our private label supply chain. Our due diligence process has been enhanced, with a focus on stronger oversight, deeper understanding and more targeted supplier engagement. These actions have improved our ability to identify and respond to potential modern slavery risks, further embedding ethical sourcing practices into both day-to-day operations and long-term strategic planning.

Aligning expectations across the supply chain

To strengthen responsible and ethical practices, our ethical sourcing principles have been translated into supplier facing communications. This included Hardware updating its Private Label Ethical Sourcing Policy and the introduction of a Supplier Code of Conduct which sets out the ethical standards expected from all Hardware suppliers. The updated Policy and Code were shared with all relevant private label suppliers.

In October 2024, the Food pillar launched MetPlanet, a centralised sustainability hub for suppliers. This has been designed to facilitate engagement and provide free access to training and grievance tools to support suppliers on their sustainability journeys. The platform aims to encourage collaboration between Metcash and suppliers, as well as assisting suppliers with the integration of sustainability considerations into business planning and decision making.

The Food pillar also published their 'Ten Ethical Sourcing Principles' covering worker rights, which clearly define and prohibit all forms of modern slavery, including child and forced labour. It emphasises respect for workers' rights, such as freedom of association and collective bargaining. In addition, suppliers should ensure wages, benefits and overtime are paid in accordance with applicable laws.

As part of our continued efforts to assess and manage modern slavery risks, the Liquor pillar engaged a number of its private label suppliers to request the sharing of third-party ethical audit reports. These independently verified audits provide greater visibility into supplier performance, promote transparency, and support continuous improvement in responsible sourcing in the Liquor private label supply chain.

Enhancing modern slavery risk assessment

We continue to utilise the Lloyd's Register Quality Assurance (LRQA) EiQ supply chain intelligence platform to enhance our understanding of supply chain risks. The platform segments suppliers into risk categories by overlaying inherent sourcing risks, product risks and business leverage insights, to determine which segments of the supply chain provide the greatest opportunities to drive impact. EiQ Analyse, a tool within the EiQ platform, supports efficient risk monitoring by producing detailed site scorecards for each supply chain partner, highlighting risk exposure based on factors such as sector, country, operating context and industry metrics. The platform's risk segmentation tool enables procurement and merchandise teams to more effectively identify and monitor relevant risks, allowing for a more targeted and impactful approach to supply chain risk management.

EiQ's Sentinel tool screens internet data and international sanctions lists to identify incidents, insights and adverse news related to human rights violations including forced labour, child labour, harassment, abuse, wage theft and poor working conditions. These alerts support proactive due diligence and ongoing monitoring, enabling us to respond swiftly to emerging risks.

Ethical sourcing due diligence – private label suppliers

Our Hardware business has strengthened its due diligence processes relating to ethical sourcing within its private label supply chain. Suppliers were asked to provide manufacturing site addresses and proof of social compliance. Manufacturing locations were received from 100% of private label suppliers, with 78% of overseas suppliers providing valid third-party ethical audit documentation.

To support continuous improvement and ensure consistency in supplier compliance, Hardware developed and introduced an updated Private Label Ethical Sourcing Policy. This policy clearly defines the requirements for suppliers, including the provision of manufacturing addresses, completion of Self-Assessment Questionnaires, and submission of third-party ethical audit reports. It also sets expectations around corrective action planning and re-audit frequency where non-conformances are identified.

Complementing this, the Hardware Ethical Sourcing Supplier Code of Conduct aligns with International Labour Organization (ILO) standards and broader industry benchmarks. This document provides clarity on Hardware's zero-tolerance positions and communicates expected supplier behaviours.

Both the updated Policy and Code of Conduct were distributed directly to all private label suppliers, accompanied by a six-month transition period to allow suppliers to align with the new requirements. The Supplier Code of Conduct is publicly available via the Legal section of the Hardware website.

Our Community *continued*

Remediation with suppliers

This year saw further progress in our remediation program. While the number of identified non-conformances increased, so too did Metcash's capacity to respond with greater speed and effectiveness. With improved data and clearer insights into localised working conditions across the supply chain, we were better positioned to take targeted action with suppliers.

Metcash visited three Total Tools manufacturing sites in China and discovered transparency issues which prompted action from management; this included discussions with the supplier and the determination of action plans for rectification. Resolution was possible with the two cooperating suppliers; while after several attempts at remediation, one non-compliant factory was removed as a supplier.

Hardware leveraged the EiQ risk tool to identify an overseas production site flagged with a breach of Hardware's policy, which came to light through a third-party social audit. In response, Hardware collaborated closely with its Australian supplier to implement corrective actions, which were verified as completed through a subsequent independent audit.

The Food private label team addressed findings from suppliers' SEDEX Members Ethical Trade Audits (SMETA) and worked with them to strengthen social compliance policies, address unethical recruitment practices, and improve oversight of labour hire agencies. Of our 346 Food-supplying sites, 29 were identified as having actual or potential negative social impacts, falling short of compliance expectations. These sites were managed through collaboration and tailored corrective action plans. Trading relationships with four sites were discontinued where suppliers failed to demonstrate sufficient commitment to our due diligence requirements, including joining SEDEX and completing the SEDEX Self-Assessment Questionnaire (SAQ) in full, or participating in an equivalent recognised social compliance program.

These efforts reflect Metcash's proactive approach to risk management and its commitment to driving meaningful improvements in working conditions throughout the supply chain.

Collaborating with industry experts

We continue to strengthen our modern slavery program through ongoing collaboration with industry experts and partners. Recently, we worked directly with Monash University's research team, who evaluate the quality of modern slavery disclosures by ASX-listed companies. Based on their best-practice recommendations, we are working on improving the breadth of our disclosures in our upcoming Modern Slavery Statement for 2025.

This year we delivered tailored e-learning for procurement and merchandise teams, building deeper category-specific knowledge and capability. Also, in support of broader awareness, Metcash collaborated with The Freedom Hub, an Australian social enterprise helping survivors of human trafficking rebuild their lives through support programs, ethical business and community awareness. Together we hosted a Company-wide webinar on Human Rights Day in December 2024, with the session offering valuable insights into modern slavery in the Australian context. These initiatives reflect our commitment to continuous learning, transparency, and the integration of expert guidance into our ethical sourcing framework.

For more information, please visit our website to access our Modern Slavery Statement. The FY25 Modern Slavery Statement will be available in November 2025.



Our Community continued



Traceability

We recognise that supply chain transparency is essential for identifying and addressing social and environmental risks, allowing us to make more informed and responsible decisions. Traceability helps provide insights into these risks at all stages of the value chain, as well as potential risks to human rights or the environment as a result of business operations or commodity production, which may require mitigation measures to be taken.

This year we commenced a process to harmonise traceability efforts across our three pillars, developing a detailed traceability situation analysis document, which included a gap analysis of work performed to date within various pillar teams through existing supplier partnerships and compliance management processes. The engagement unveiled the current opportunities around upstream information-sharing as well as barriers such as commercial sensitivities that may impede the capability of suppliers to provide granular data for all ingredients or components in the medium term. These insights into the limitations and complexity around traceability emphasised the need for time to develop a consultative Traceability Strategy that sets out a realistic scope and timeline based on risk materiality.

With this in mind, we will continue to consult with industry experts with a view to finalise a Traceability Strategy, outlining a roadmap for gathering information using a risk and opportunity based approach. This means a focus on supply chain hotspots, assessing financial, environmental and social impact materiality. We will continue engaging and monitoring both industry and government-led initiatives aimed at addressing current traceability challenges, including efforts focused on developing common data standards and enhancing interoperability for seamless data-sharing across the supply chain.

A Metcash traceability strategy would complement existing mandatory disclosure requirements, including the Australian Modern Slavery Act and AASB S2, while also supporting any future disclosure requirements on nature-related risks.

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