

For personal use only



Corporate Governance
Statement 2024/25

Corporate Governance Statement

2024/25

Sigma Healthcare Limited (**Company**) and its controlled entities (**Group**) are dedicated to providing exceptional healthcare solutions while driving long-term sustainable growth and delivering consistent value to our shareholders. The Board acknowledges the importance of governance practices and addressing environmental and social considerations that matter to our stakeholders, including shareholders, suppliers, and customers.

The Company year end concluded on 31 January 2025. Accordingly all references in this Corporate Governance Statement (CGS) reflect the position of Sigma Healthcare Ltd as at 31 January 2025, unless otherwise stated. Following the merger with Chemist Warehouse which occurred in February 2025, the Board will review many aspects the Company's corporate governance framework over the coming period to ensure it is appropriate for the merged entity. Updated information will be provided on the merged entity as part of next year's CGS.

Our corporate values as at 31 January 2025 were as follows:

- We are obsessed with delighting our customers
- We act with honesty, integrity and respect
- We are resilient and focused
- We deliver on our goals.

This Corporate Governance Statement (Statement) was approved by the Board as at 13 March 2025.

1. ASX Corporate Governance Principles and Recommendations

The Directors and Management of the Company aim to uphold high standards of corporate governance in the conduct of the Group's business, including adherence to that described in the 4th edition of the ASX Corporate Governance Council "Corporate Governance Principles and Recommendations" (**ASX Principles and Recommendations**).

A checklist cross-referencing the ASX Principles and Recommendations against the disclosures in this Statement is provided at the end of this Statement.

2. Our Board

(a) Role

The Board is primarily responsible for setting the strategic direction and endorsing the values of the Company and the Group, to effectively guide and oversee management of the Group and to approve, review and oversee implementation of the Group's risk management systems and governance practices, strategies and policies.

The Board has adopted a Board Charter (published on the [Company's website](#)) which sets out the structure and governance requirements of the Board and the respective responsibilities of the Board and the "Executive Leadership Team" comprising the CEO & Managing Director (CEO) and the CEO's key direct reports.

Under the Board Charter, the Board has reserved responsibilities for a range of matters, including:

- defining the Company's purpose, establishing strategic goals and approving management's business plans and strategic opportunities;
- overseeing the management of the Company;
- Board and executive succession planning;
- appointment and annual evaluation of the CEO;
- setting risk appetite for management in alignment with strategic goals;
- monitoring the Company's performance with the aim of maximising long-term returns to the Company's security holders at an acceptable level of risk;
- approving the Company's financial plans, operating budgets and major capital expenditure; and
- reviewing and ratifying policies and systems of risk management, codes of conduct, legal compliance and corporate governance.

(b) Company Secretary

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. This includes agendas, Board papers and minutes, advising the Board and its Committees on governance matters, monitoring and

ensuring that the Board and Committee policies and procedures are followed, communication with regulatory bodies and the ASX and statutory and other filings. Under the Board Charter, responsibility for approving the appointment and removal of the Company Secretary is reserved for the Board.

(c) Board composition

As at 31 January 2025 the Board consisted of one Executive and five Non-Executive Directors, including the Chair.

Following the merger with Chemist Warehouse on 13 February 2025, the composition of the Board was five (5) Non-Executive Directors (including the Chair) and four (4) Executive Directors. The Company's Constitution and Board Charter set out the process for the election and appointment of Directors, including the following:

- The Board is authorised to appoint Directors to vacancies and to elect the Chair. Any Director appointed by the Board must stand for election at the next annual general meeting (AGM) of security holders following their appointment.
- Before a Director is appointed or put forward for election, the Company undertakes a number of checks including experience, education, criminal record and bankruptcy history.

Prior to each AGM the Board determines whether it will recommend to security holders that they vote in favour of the re-election of each Non-Executive Director seeking election on a rotational basis with the other Directors. Board support for Directors retiring and seeking re-election is not automatic; and the Company provides security holders, in the notice of meeting for the AGM, material information in its possession relevant to a decision on whether or not to elect or re-elect a Non-Executive Director.

This includes information about the Director's relevant skills and qualifications, current material directorships and, for existing Directors seeking re-election, their length of tenure.

Corporate Governance Statement

2024/25

(d) Board skills, experience and selection process

The Board acknowledges the value of a diverse mix of skills that align with the Company's strategic objectives. Additionally, the Board strives to balance the tenure of long-serving Directors, who bring deep institutional

knowledge and experience, with those of newer Directors, who contribute fresh insights and innovative viewpoints. The Board also undertakes regular Board reviews, strategic reviews, development initiatives, and succession planning processes. A summary of the key Board skills and experiences as at 31 January 2025 is provided below.

The Board recognises that effective succession planning and Board renewal are integral to corporate governance. This is achieved through strategic planning and regular reviews.

The Nomination and Remuneration Committee evaluates the size and composition of the Board at least annually as part of the Board evaluation process. When the need for a new Director arises, the desired experience and competencies are defined within the context of the Board's skills and experience matrix, considering any identified gaps. A pool of potential candidates is then compiled based on these requirements.

Where appropriate, external advisers may be engaged to assist in identifying suitable candidates.

Comprehensive probity checks are conducted before the Nomination and Remuneration Committee recommends the preferred candidate(s) for approval by the full Board.

(e) Governance and renewal

In calendar year 2023 a process of Board renewal was undertaken with three new non-executive directors appointed to the Sigma Board. In February 2025 the Board also changed significantly as part of the merger with Chemist Warehouse. As the business evolves we will continue to assess and monitor the expertise and skillsets within the Board to govern the business and ensure it is appropriate moving forward.

On 13 February 2025 Ms Kate Spargo (Chair of the Nomination & Remuneration Committee) resigned following 9 years of invaluable service to the Board.

(f) Appointment and induction of new Directors

New Non-Executive Directors are issued with a formal letter of appointment that sets out the key terms and conditions of their appointment, including Director's duties, rights and responsibilities, the time commitment envisaged and the Board's expectations regarding involvement with Committee work.

An induction program is in place that offers education on various aspects of the Company's business, including touring the Sigma Group's facilities and meeting key management personnel.

Skills

Governance and compliance	Group wide governance and compliance systems, processes and frameworks
Health and safety	Driving proactive health and safety initiatives and programs
Government relations/policy	Interaction with government and regulators and involvement in public policy decisions
Financial expertise	Accounting, financial reporting, corporate finance, financial internal controls, financial and capital management strategies
Corporate strategy	Setting and reviewing organizational strategy, organic growth and merger and acquisition opportunities

Supply Chain and Logistics

Healthcare and pharmaceutical industry	Relevant experience from within the Company's primary industry and with the compliance, decision-making structures and operational disciplines of such highly regulated industries
Retail and wholesale	Experience within the Company's core operational disciplines
Franchising, small and medium enterprises	Knowledge of franchising regulations and small business operations and challenges
Logistics technology	Large scale and time critical logistics, automation
ASX	Listed company leadership experience at Executive and Board level
Business transformation	Involvement in transformational, continuous improvement and innovative projects
Information technology	IT strategies and networks, latest innovations in data storage and security
Customer data & insights	Driving strategic insights from the collection and analysis of customer data

Corporate Governance Statement

2024/25

(g) Performance reviews and professional development

Each Non Executive Director has access to professional development opportunities to ensure they maintain the skills and knowledge required to perform their roles effectively.

The Chair, on the advice of the Nomination and Remuneration Committee, periodically conducts an internal review of the Non-Executive Directors which, amongst other things, identifies whether there is a need for the Director to undertake further professional development. The results of the internal performance review are reported back to the Nomination and Remuneration Committee. In addition, the Board, on the advice of the Nomination and Remuneration Committee, periodically engages an independent third party to undertake a formal, external review of the Board.

The Chair conducted an internal review of the Non-Executive Directors in the 2024/2025 reporting period.

The Board reviews the performance of the CEO against the Board-approved key performance indicators on an annual basis.

(h) Independence of Directors

As at 31 January 2025 the majority of Directors, including the Chair, were independent Non-Executive Directors.

The Board's definition of "independence" is outlined in the Board Charter and reflects the commentary in the ASX Principles and Recommendations. The definition of independence is as follows:

An independent Director is a Non-executive Director who is free of any interest, position or relationship that might influence, or reasonably perceived to influence, in a material respect, the Director's capacity to bring an independent judgment to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

This includes a person who:

1. is not, does not represent, and has not within the last three years been an officer or employee of, or professional adviser to, a substantial security holder of the Company. A substantial security holder is a security holder who holds more than 5% of the issued capital of the Company;
2. is not, and has not been employed in an executive capacity by the Company or any of its child entities, within the three years prior to them serving on the Board;
3. is not, and has not within the last three years been, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the entity or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship. A material supplier or customer is a supplier or customer who controls more than 5% of the value of the Company's total purchases or 5% of the value of the Company's total sales or more than 50% of the suppliers or customers purchases or sales are from or to the Company;
4. does not receive performance-based remuneration (including options or performance rights) from, or participate in an employee incentive scheme of, the Company;
5. does not have close personal ties with any person who falls within any of the categories described above; and
6. has not been a Director of the Company for such a period that their independence from management and substantial holders may have been compromised.

The Board reviewed the independence of each Non-Executive Director against both the Charter and ASX definitions.

The Board's assessment of the independence of each Non-Executive Director as at 31 January 2025 is as follows:

- Mr Michael Sammells (Chair) – independent.
- Ms Annette Carey – independent.
- Mr Neville Mitchell – independent.
- Ms Kathryn Spargo – independent.
- Dr Christopher Roberts AO – not independent.

Dr Roberts was nominated by HMC Capital Partners Fund 1. As at 31 January 2025 HMC Capital was a ~7% shareholder in Sigma.

The Board values Dr Roberts extensive experience in the healthcare industry and considers that his nomination by HMC Capital does not interfere with his capacity to bring an independent judgement on issues before the Board and to act in the best interests of Sigma and its security holders.

Independent Directors are required to identify and disclose any matter which may affect their independent status. Directors are required to disclose in writing any related party transactions. Related party transactions are set out in the notes to the Company's financial report.

Non-Executive Directors hold periodic meetings without the CEO or other members of management being present, to ensure that the Non-Executive Directors maintain independence of thought and judgement. The Non-Executive Directors also meet independently with the external auditors at least twice a year. Directors have a right of access to all Company information and executives.

(i) Conflict of interest

Directors must identify any actual or potential conflict of interest they may have in dealing with the Company's affairs and subsequently to refrain from participating in any discussion or voting on those matters. If a potential conflict of interest is likely to arise, the Director concerned does not receive copies of relevant Board papers and withdraws from the Board meeting while those matters are considered.

(j) Access to information and independent advice

Directors are entitled, in fulfilling their duties and responsibilities, to obtain independent professional advice on any matter connected with the discharge of their responsibilities, with prior notice to the Chair, at the Company's expense.

Corporate Governance Statement

2024/25

(k) Directors' fees and remuneration

The details of remuneration paid to each Director during the financial year and the principles behind the setting of such remuneration are included in the Remuneration Report.

(l) Shareholdings of directors

Directors' shareholdings are detailed in the Directors' Report and are updated by notification to the ASX. The rules and procedures governing the dealing in securities by Directors is set out in the Group's Share Trading Policy as noted further below.

For the reporting period the remuneration structure was such that, where appropriate, 25% of each Non-Executive Director's post-tax fees are used to purchase the Company's shares on market every three months. Given the transaction with Chemist Warehouse, there were times throughout the period where it was appropriate that remuneration to Non-Executive Directors be 100% cash and shares were not purchased, given Directors were, at times, in possession of price sensitive information relating to the transaction. Further details of the Company's remuneration strategy and principles are outlined in the Remuneration Report.

3. Board committees

As at 31 January 2025, the Board had two standing committees (Committees) to facilitate and assist the Board in fulfilling its responsibilities. The Committees are governed by Charters, which detail their specific functions and responsibilities. Copies of the Committee Charters are available on the Company's website. The Board Charter requires the Board to review each Committee's Charter every two years. In addition, each Charter requires the relevant Committee to review its Charter at regular intervals.

The Committees make recommendations to the Board. They have no decision-making power except where expressly authorised by the Board. The relevant qualifications and experience of individual Committee members are set out in the Directors' Report.

The attendance and composition of the Committees as at, and throughout the financial year ended 31 January 2025, is summarised in the Directors' Report.

(a) Risk Management and Audit Committee (RMAC)

As at 31 January 2025 the RMAC comprised Mr Neville Mitchell (Chair), Ms Kathryn Spargo and Dr Chris Roberts. Mr Mitchell (Chair) and Ms Spargo are independent directors. Accordingly, the Chair and majority of the Director's appointment to RMAC are considered by the Board to be independent.

Mr Mitchell, Ms Spargo and Dr Roberts all have relevant financial, commercial and risk management qualifications and/or experience, details of which are provided in the Directors' Report.

The RMAC has authority, within the scope of its responsibilities, to seek any information it requires from any employee of the Group or external party.

Consistent with its Charter, RMAC's main responsibility is to advise and assist the Board on the establishment and maintenance of a risk management framework, internal controls and standards for the management of the Group and to monitor the quality and reliability of the financial information of the Group.

The RMAC recommends the appointment, removal and remuneration of the external auditors. It also reviewed the activities and organisational structure of the internal audit function. Prior approval of the RMAC must be gained for non-audit services to be performed by the external auditor. There are specified qualitative limits on non-audit services to ensure that the independence of the auditor is maintained. There is also a requirement that the audit partner responsible for the audit to not perform in that role for more than five years.

(b) Nomination and Remuneration Committee (NRC)

As at 31 January 2025 the Nomination and Remuneration Committee (NRC) comprised Ms Kathryn Spargo (Chair), Ms Annette Carey and Mr Michael Sammells who are all independent Non-Executive Directors.

Consistent with its Charter, the Committee's main responsibilities are to advise the Board on remuneration policies and practices, assess the necessary and desirable competencies of Board members, evaluate Board

performance, review Board and management succession plans and to make specific recommendations on remuneration packages for the CEO, Non-Executive Directors and senior management based on an annual review.

The NRC is primarily responsible for providing recommendations to the Board about the nomination and remuneration strategy, policies and practices applicable to Non-Executive Directors, CEO and Executive Leadership Team.

Further details of the responsibilities and activities of the NRC, remuneration policies and structures, details of remuneration and retirement benefits paid to Directors are set out in the Remuneration Report.

4. CEO & Executive Leadership Team

(a) Appointment

The Board is responsible for appointing and removing the CEO and for approving the appointment and replacement of the Executive Leadership Team.

All members of the Executive Leadership Team are appointed under written agreements.

(b) Performance and remuneration

The Company's Remuneration Policy is designed to recognise the competitive environment within which the Company operates and also emphasise the requirement to attract and retain high calibre talent in order to achieve sustained improvement in the Company's performance.

The overriding objective of the Remuneration Policy is to ensure that an individual's remuneration package accurately reflects their experience, level of responsibility, individual performance and the performance of Sigma. The key principles are to:

- attract, retain, motivate and reward high calibre talent;
- ensure remuneration principles are applied fairly and consistently across the business;
- foster a partnership between employees and shareholders through employee ownership of Company shares;

Corporate Governance Statement

2024/25

- drive community and customer interests by ensuring rewards are only paid where outcomes have been achieved in the interests of the community and customers; and
- link reward to delivery of the Company's financial and strategic goals which deliver value for shareholders.

In accordance with the policy, evaluation of senior executive performance and remuneration is undertaken by the CEO on an annual basis. Evaluation of the CEO's performance and remuneration is undertaken by the NRC and Board on an annual basis.

Performance reviews for the CEO and other members of the Senior Executive Team were conducted during the reporting period in accordance with the process described above.

Further details on key management personnel remuneration, including equity-based remuneration, are disclosed in the Remuneration Report. The rules regarding trading in Sigma's shares are set out within the Share Trading Policy, which can be found on the Company's website.

5. Integrity of reporting

The Group has put in place controls designed to ensure the integrity of its financial reporting and that the Group complies with all regulatory requirements relevant to its reporting.

(a) Financial control

The Board, advised by the RMAC, is responsible for the Company's overall system of internal financial control.

The Board has received certifications from the CEO and CFO in connection with the financial statements for the Group for the reporting period.

The certifications provide a declaration, in accordance with Section 295A of the *Corporations Act 2001* (Cth), as to the integrity of the financial statements and confirm that opinions are founded on a sound system of risk management and internal control which is operating effectively.

(b) External auditor

The Board has established a framework for the relationship between the Company and the external auditor, which ensures that:

- recommendations made by the external auditor and other independent advisers are critically evaluated and, where appropriate, applied;
- the ability of the external auditors to carry out their statutory audit is in no way impaired;
- consideration is given to what, if any, services other than their statutory audit role may be provided by the auditors;
- any other services provided by the auditors, other than their statutory audit role, are approved and monitored; and
- the Company has defined policies and procedures in place as appropriate internal controls to manage risk effectively.

The external auditor is invited to attend the annual meeting of the Company to answer questions from shareholders in relation to the audit.

(c) Internal audit function

The Company has a co-sourced internal audit function comprising external service providers (Ernst and Young) which report into an internal team.

The internal audit function reports directly to the RMAC in relation to its audit functions. The internal auditors provide independent and objective assurance on the adequacy and effectiveness of the Company's systems for internal control.

(d) Verification process for periodic corporate reports

The Company internally verifies the integrity of all periodic corporate reports released to the market that are not reviewed by an external auditor.

6. Corporate governance policies

The Company has adopted a number of policies which have been prepared having regard to the ASX Principles and Recommendations and are available on the Company's website at <https://investorcentre.sigmahealthcare.com.au/corporate-governance/governance-documents> under "Governance Documents".

The Board periodically reviews the performance and effectiveness of the Company's corporate governance policies and procedures and, if appropriate, amends those policies and procedures or adopts new policies or procedures. A number of policies and Charters were amended at the time of merger with Chemist Warehouse to ensure they appropriately reflected the activities and composition of the merged entity.

(a) Code of Conduct

The Company expects all Directors, members of the Executive Leadership Team and other team members of the Group to act honestly and with integrity. The Company has developed and communicated its Code of Conduct to all Directors, members of the Executive Leadership Team and team members. The Code of Conduct sets out the practices which are necessary to maintain confidence in the Company's integrity and promotes:

- honest and ethical behaviour;
- respect for people and property; and
- legal compliance.

The Company requires all Directors, members of the Executive Leadership Team and other team members who become aware of an actual or suspected violation of the Code of Conduct to report that violation to a nominated reporting person. This process allows for confidential reporting of any potential violation without disadvantage to the team member. Material breaches of the Code are reported to the NRC.

Corporate Governance Statement

2024/25

(b) Diversity & Inclusion Policy

The Company has adopted a Diversity & Inclusion Policy, which is described in further detail at section 8 below.

(c) Continuous Disclosure and Market Communications Policy

The policy outlines a set of procedures and guidelines to ensure the Company complies with all applicable legal and regulatory requirements, including ASX Listing Rules, relating to disclosure.

Subject to recognised exceptions, this ensures the timely disclosure to the ASX of any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Company's securities.

The policy also documents the Group's approach and commitment to effective communication with shareholders.

Sigma has a comprehensive security holder engagement program which includes briefings, presentations and events. The program includes scheduled and ad-hoc briefings with institutional and private investors such as, the Australian Shareholders Association, analysts and the financial media and aims to provide and facilitate effective two-way communication with Sigma's investors. Security holders may elect to, and are encouraged to, receive communications from the Company and its securities registry electronically.

For the purposes of the AGM, security holders can submit questions prior to the event, which are then answered at the AGM, or ask questions live at the venue or online during the AGM. Details of scheduled events are published on the Company's website, and existing shareholders receive an email with details. The Company also requires all substantive resolutions at a meeting of security holders to be decided by poll, rather than by show of hands.

(d) Share Trading Policy

The Share Trading Policy applies to Directors, the Executive Leadership Team and all team members wishing to participate as security holders in the Company.

Australian insider trading laws prohibit people who possess non-public price sensitive information from dealing in securities or passing on that information to other people who may deal in securities. The Company's policy is designed to protect Directors, team members and their associates, as well as the Company's security holders, against acts of insider trading that, either willingly or unknowingly, would disadvantage holders of the Company's securities.

The policy employs the use of blackout periods to restrict trading during times where sensitive, non-public information may be held. In addition, certain persons deemed 'Specified Persons' must obtain written clearance from the CEO or Chairman in advance of any proposed dealing in the Company's securities.

Under the terms of the policy, persons to which the policy applies are prohibited from entering into hedging transactions which operate to limit the economic risk of their securities in the Company (including under any employee share scheme or equity-based remuneration scheme) and are prohibited from entering margin loan arrangements to fund the acquisition of securities in the Company or in relation to which the Company's securities may be used as security against loan repayment.

(e) Whistleblower Policy

The Company wants to create an environment where people feel safe to report any wrongdoing without fear of reprisal. Although most allegations of misconduct or wrongdoing will be reported via internal channels (supervisor/manager or outside reporting lines, if necessary), the Company recognises that there will be occasions when people would rather make an anonymous disclosure. The Company has also appointed an external provider to receive allegations of wrongdoing pursuant to the Company's Whistleblower Policy.

The RMAC is notified of incidents reported under the Whistleblower Policy.

(f) Anti-bribery and corruption policy

The Company understands the importance of ensuring that its Board, Executive Leadership Team and team members act with integrity. Bribery and corruption have long been prohibited under the Company's Code of Conduct and Fraud Policy.

In addition, the Company also has a standalone Anti-Bribery and Corruption Policy. This prohibits the Board, Executive Leadership Team and all team members of the Sigma Group from engaging in bribery or corrupt conduct and provides guidance in relation to certain matters including political donations. It establishes reporting lines for actual or suspected breaches and ensures that material breaches are reported to the RMAC.

7. Risk assessment and management

The Board considers the identification, assessment and management of risk throughout the Company's business activities.

The Company has established policies for the oversight and management of material business risks. The Company's overarching Risk Management Policy can be found on the Company's website.

The Board's committee structure forms an important part of the risk management process. Through the RMAC, the Board has required Management to design and implement a risk management and internal control system to manage the Company's material business risks. It receives regular reports on specific business areas where there may exist significant business risk or exposure.

Management reports to the Board through the RMAC as to the effectiveness of the Company's management of its material business risks on a quarterly and annual basis. The RMAC's review of the Group's risk takes into account whether the Company is operating with due regard to the Board's approved risk appetite for material risks. The RMAC periodically reviews the Group's risk management framework and conducts a formal assessment every two years, (or as otherwise required).

Corporate Governance Statement

2024/25

The RMAC has reviewed the risk management framework during the reporting period in accordance with this policy. Further information about the Company's material risks is provided in the Operating and Financial Review contained in the Annual Report. In February 2025 the RMAC was split into two separate committees comprising an Audit Committee and a separate Risk, Compliance and Sustainability Committee. Further information is available at <https://sigmahealthcare.com.au/corporate-governance/governance-documents>.

8. Diversity and inclusion

The information contained in this Diversity and Inclusion section of our corporate governance statement is current as at 31 January 2025. Following our merger with Chemist Warehouse, we will undertake a review of our Diversity and Inclusion strategy and provide updated information as part of next year's corporate governance statement.

The Company respects and values the benefits of a diverse and inclusive workforce that reflects the communities in which we operate and embraces diversity of thought. We believe that in order to be a high performing, agile and innovative organisation we must leverage the full potential of all of our people. Diversity in this context includes, but is not limited to, experience, gender, age, caring responsibilities, cultural identity, disability, ethnicity, religious beliefs, education, family and relationship status, gender identity and sexual orientation.

Relevant policies are in place and made available to all staff upon commencement with the Company and via our intranet to support a diverse and inclusive workforce. These include the Diversity and Inclusion Policy and the Good Working Relationships Policy. Policies designed to recognise and support the diverse needs of our workforce are also in place including a Flexible Working Arrangements Policy, a Working From Home Policy, Carers, Parental leave and Family and Domestic Violence Policies.

Our policies around recruitment and learning and development ensure that these processes are encouraging the attraction, retention and development of a diverse workforce.

Specifically at the Board level, the Company is seeking to ensure each Non-Executive Director contributes towards a broad mix of skills including financial, retail, operational, fiduciary, human resources and strategic.

(f) Gender diversity

The Board values and is committed to promoting gender diversity at the Board level. From a Company leadership perspective, the gender mix of the Executive Leadership Team is set out below:

	Male	Female	Total
Executive Leadership Team	5	2	28.5%

As part of the Company's commitment to diversity, we continued to deliver our Women In Leadership and our Emerging Leaders Programs to assist in strengthening our talent pipeline with women ready for leadership roles.

The Board has also continued its efforts to ensure gender pay equity exists within the business. Consistent with the previous year, a detailed gender pay gap analysis was conducted as part of the 2024 remuneration review process. The results of the analysis confirmed that gender pay variances are not prevalent at Sigma when comparing male and female salaries for like-for-like positions or by level.

In line with the ASX Corporate Governance Principles and Recommendation, the Company makes the following disclosures in relation to gender diversity.

As part of the annual Workplace Gender Equality Agency (WGEA) report for 2023-2024, the industry comparison gender pay gap is outlined below:

	Average total remuneration	Comparison Group
Sigma Company	26%	12.9%
Sigma Healthcare Logistics	21.4%	18.1%
MPS	-2.5%	8.6%

For further detail please refer to our Gender Pay Gap Employer statement 2024 located at <https://investorcentre.sigmahealthcare.com.au/corporate-governance/governance-documents>

Corporate Governance Statement

2024/25

Measurable objectives and progress

Under the Company's Diversity and Inclusion Policy, measurable objectives for achieving gender diversity have been set by the Board and are reviewed annually in order to ensure they remain relevant and to assess the Company's progress towards achieving them. The Company has made the following progress towards achieving the measurable objectives set for the 2024/2025 reporting period:

Measurable Objectives	Progress for 2024/25 Reporting Period
Aim to increase the proportion of women on the Board as vacancies and circumstances permit	The composition of the Board has for the past few years had diversity of gender reflecting a 40:40:20 ratio. This changed in December 2023 and women continue to constitute 33% of Board positions.
Aim to increase the proportion of women in executive and senior management positions as vacancies and circumstances permit	The gender composition of the Senior Leadership Team has changed from the previous year with the departure from the business of a female Chief Commercial Officer. Senior management positions capture the Executive Leadership Team and the next top two pay grades within the business. The gender mix at this level has also changed due to a female departure from the business being replaced with a male appointee. During the year, 19 female employees participated in the Company's Women In Leadership and Emerging Leaders Programs to assist in strengthening our succession pipeline and supporting the retention of key talent. A female Company representative sits on the interviewing panel for all executive and senior management vacancies. For each of these vacancies a diverse candidate pool is reviewed with the aim of interviewing suitable candidates.

The Company aspires for gender equality at all levels of the organisation. In accordance with the 4th edition of the ASX Principles and Recommendations, the Board set the measurable objective for each level of the organisation to have 50% of each gender with an acceptable tolerance of 10% either side of that target. The objective applies for the 2024/25 reporting period.

Proportion of women employees and Board members

In accordance with the ASX Principles and Recommendations, the Company makes the following disclosures in relation to the proportion of women in the organisation:

Disclosure requirement	Disclosure
Proportion of women employees in the whole Group	As at 31 January 2025, 65% of the Company's employees were women
Proportion of women in Executive Leadership Team ¹	As at 31 January 2025, 28.5% of Executive Leadership Team positions were held by women
Proportion of women in senior management ² positions	As at 31 January 2025, 38.5% of senior management positions within the Company were held by women
Proportion of women on the Board of the Company	As at 31 January 2025, 33% of the Company's Non-Executive Directors were women

1. The Executive Leadership Team comprises the CEO and all of the CEO's functional direct reports.

2. Senior management positions are the Executive Leadership Team and the next top two pay grades of the organisation

Corporate Governance Statement

2024/25

9. Cyber Security Risk Management

Sigma aims to mitigate and minimise the risk of cyber security breaches.

During the reporting period, the Company continued to invest in an ISO 27001 aligned Information Security Program. To the best of the Company's knowledge, no cybersecurity breaches occurred during the reporting period.

The Company also implemented several security initiatives, including, but not limited to:

- a managed service Security Operations Centre (SOC) with Rapid 7 (external service provider);
- SAP Cloud Identity Access Governance (IAG);
- a Disaster Recovery switchover to our backup ERP system in our failover Data Centre; and
- Formalised and increased the number of Security, Risk & Privacy Committee meetings.

10. Environmental and Social statement

Sigma is aware of and focused on managing our Environmental and Social related risks. These are articulated in Sigma's annual ESG Reports, which are available on the Sigma website <https://investorcentre.sigmahealthcare.com.au/corporate-sustainability>. This is an integrated whole of business sustainability report with key themes being:

- identifying and effectively managing and mitigating environmental risks from all work practices;
- providing safe and healthy workplaces that empower our team members to perform at their best;
- cultivating an inclusive employee culture that is committed and equipped to lead through change and to achieving our objectives; and
- implementing strategies and a reporting framework to give effect to our objectives.

More details on Sigma's ESG commitment are available in our ESG Report at <https://investorcentre.sigmahealthcare.com.au/corporate-sustainability>.

Corporate Governance Statement

2024/25

10. ASX Principles and Recommendations checklist

Ref	ASX Principles and Recommendation	Section	Compliance in 2024/25 reporting period
Principle 1 Lay solid foundations for management and oversight			
1.1	A listed entity should have and disclose a board charter setting out: <ul style="list-style-type: none"> (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management. 	2(a)	Yes
1.2	A listed entity should: <ul style="list-style-type: none"> (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. 	2(c)	Yes
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	2(f) and 4(a)	Yes
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	2(b)	Yes
1.5	A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; (c) disclose in relation to each reporting period: <ul style="list-style-type: none"> (i) the measurable objectives set for that period to achieve gender diversity; (ii) the entity's progress towards achieving those objectives; and (iii) either: <ul style="list-style-type: none"> (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators" as defined and published under that Act. 	8	Yes
1.6	A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. 	2(g), 3(b), 4(b)	Yes
1.7	A listed entity should: <ul style="list-style-type: none"> (a) have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. 	4(b)	Yes

Corporate Governance Statement

2024/25

Ref	ASX Principles and Recommendation	Section	Compliance in 2024/25 reporting period
Principle 2 Structure the Board to be effective and add value			
2.1	The board of a listed entity should:	2(d) and 3(b)	
	(a) have a nomination committee which:		Yes
	(iv) has at least three members, a majority of whom are independent directors; and		
	(v) is chaired by an independent director, and disclose:		
	(A) the charter of the committee;		
	(B) the members of the committee; and		
	(vi) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or		Yes
	(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.		N/A
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	2(d)	Yes
2.3	A listed entity should disclose:	2(h) and Directors' Report	
	(a) the names of the directors considered by the board to be independent directors;		Yes
	(b) if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and		Yes
	(c) the length of service of each director.		Yes
2.4	A majority of the board of a listed entity should be independent directors.	2(h)	Yes
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	2(h)	Yes
2.6	A listed entity should have a program for inducting new directors and for undertake professional development to maintain the skills and knowledge.	2(f)	Yes
Principle 3 Instil a culture of acting lawfully, ethically and responsibly			
3.1	A listed entity should articulate and disclose its values.	Introduction	Yes
3.2	A listed entity should:	6(a)	
	(a) have and disclose a code of conduct for its directors, senior executives and employees; and		Yes
	(b) ensure the Board or Committee of the Board is informed of any material breaches of that code.		Yes
3.3	A listed entity should:	6(e)	
	(a) have and disclose a whistleblower policy; and		Yes
	(b) ensure the board or a committee of the board is informed of any material breaches under that policy.		

Corporate Governance Statement

2024/25

Ref	ASX Principles and Recommendation	Section	Compliance in 2024/25 reporting period
Principle 4 Safeguard the integrity of corporate reports			
4.1	The board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	3(a), 5 and Directors' Report	Yes N/A
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	5(a)	Yes
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	5(d)	Yes
Principle 5 Make timely & balances disclosure			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1.	6(c)	Yes
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	6(c)	Yes
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	6(c)	Yes

Corporate Governance Statement

2024/25

Ref	ASX Principles and Recommendation	Section	Compliance in 2024/25 reporting period
Principle 6 Respect the rights of shareholders			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	2 – 6	Yes
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	6(c)	Yes
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	6(c)	Yes
6.4	A listed entity should ensure that all substantive resolutions at a meeting are decided by poll rather than a show of hands.	6(c)	Yes
6.5	A listed entity should give security holders the option to receive and its security registry electronically.	6(c)	Yes
Principle 7 Recognise & manage risk			
7.1	The board of a listed entity should:	3(a), 7 and Directors' Report	
	(a) have a committee or committees to oversee risk, each of which:		
	(i) has at least three members, a majority of whom are independent directors; and		Yes
	(ii) is chaired by an independent director, and disclose:		Yes
	(iii) the charter of the committee;		Yes
	(iv) the members of the committee; and		Yes
	(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or		Yes
	(b) if it does not have a risk committee or committees that satisfies (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.		N/A
7.2	The board or a committee of the board should:	3(a), 7	
	(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and		Yes
	(b) disclose, in relation to each reporting period, whether such a review has taken place.		Yes
7.3	A listed entity should disclose:	5(c)	
	(a) if it has an internal audit function, how the function is structured and what role it performs; or		Yes
	(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.		N/A
7.4	A listed entity should disclose whether it has any material exposure to environmental and social risks and, if it does, how it manages or intends to manage those risks.	10, Operating and Financial Review, Sustainability Report	Yes

Corporate Governance Statement

2024/25

Ref	ASX Principles and Recommendation	Section	Compliance in 2024/25 reporting period
8 Remunerate fairly & responsibly			
8.1	The board of a listed entity should:	3(b)	
	(a) have a remuneration committee which:		
	(i) has at least three members, a majority of whom are independent directors; and		Yes
	(ii) is chaired by an independent director, and disclose:		Yes
	(iii) the charter of the committee;		Yes
	(iv) the members of the committee; and		Yes
	(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or		Yes
	(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.		N/A
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Remuneration Report	Yes
8.3	A listed entity which has an equity-based remuneration scheme should:	6(d)	
	(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and		Yes
	(b) disclose that policy or a summary of it.		Yes



Sigma Healthcare Limited

Sigma Head Office
Level 6, 2125 Dandenong Road
Clayton VIC 3168 Australia
www.sigmahealthcare.com.au

For personal use only

