30 October 2024

NZX/ASX Code: EBO

FY 2024 Climate Statement

Please see attached EBOS' Climate Statement in respect of the year ended 30 June 2024. A copy is also available at: https://www.ebosgroup.com/sustainability/climate-statement.

Authorised for lodgement with NZX and ASX by Janelle Cain, General Counsel, EBOS Group Limited.

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Climate Statement

Climate-related Disclosures for FY24

EBOS GROUP LIMITED

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1. INTRODUCTION

1.1 Purpose

This Climate Statement has been prepared to inform investors, potential investors, lenders and other creditors (being defined categories of 'primary users' of this Climate Statement) about material climate-related matters for EBOS Group Limited (EBOS or the Group) as required by the New Zealand Financial Markets Conduct Act 2013 (FMCA).

For our broader stakeholder group, we also publish an annual Sustainability Report which provides a comprehensive overview of our ESG activities and strategies, including Ethical Sourcing, Our People, Community and Environment, Data Security and Privacy, Sustainable Packaging and more. These reports can be found online at: **https://www.ebosgroup.com/sustainability/our-esg-program.**

1.2 Statement of compliance

This Climate Statement has been prepared by EBOS for the period 1 July 2023 – 30 June 2024 (FY24). It has been prepared in accordance with the 'Aotearoa New Zealand Climate Standards' (the Standards) issued on 14 December 2022 by the New Zealand External Reporting Board pursuant to section 12(aa) of the Financial Reporting Act 2013, which are:

- Aotearoa New Zealand Climate Standard 1: Climate-related Disclosures (NZ CS 1);
- Aotearoa New Zealand Climate Standard 2: First-time Adoption of Aotearoa New Zealand Climate Standards (NZ CS 2); and
- Aotearoa New Zealand Climate Standard 3: General Requirements for Climate-related Disclosures (NZ CS 3).

Pursuant to section 27(1) and section 28(2) of the Financial Reporting Act 2013, the Standards came into effect on 1 January 2023. As a climate reporting entity under the FMCA, EBOS must prepare group climate statements that comply with the Standards for the first time in respect to FY24.

1.3 Reporting period and entity

The climate-related disclosures in this report have been prepared for the same reporting period and reporting entity and in the same presentation currency as the Group's annual financial statements for FY24, except if indicated otherwise.

1.4 Principles of reporting

EBOS has applied the Principles for Information and Presentation set out in NZ CS 3 when preparing and presenting climate-related disclosures in this report. We have applied judgement to identify information for inclusion in this report involving both quantitative and qualitative considerations.

This report is EBOS' first mandatory Climate Statement and sets out EBOS' current understanding of EBOS' climate-related risks and opportunities, our current and anticipated impacts of climate change on EBOS, and how we manage these risks. The information contained in this report reflects our current understanding as at 30 October 2024 in respect of FY24.

We acknowledge that our understanding of these risks and opportunities and the inputs we have, on which we based our understanding, are evolving, and in many cases are novel and based on significant assumptions. The representations in this Climate Statement are accordingly subject to significant uncertainties and assumptions.

The risks and opportunities described here, and our strategies to achieve our targets, may not eventuate or may be more or less significant than anticipated. There are many factors that could cause EBOS' actual results, or performance or achievement of climate-related metrics (including targets) to differ materially from that described, including economic and technological viability, as well as climatic, government, consumer, and market factors outside of EBOS' control. EBOS has sought to provide a reasonable basis for forward-looking statements and is committed to progressing our response to climate-related risks and opportunities over time, but we caution reliance on aspects of this report that are necessarily less reliable than other aspects of our annual reporting.

In some cases, we rely on suitably qualified third parties for information included in this report (for example, but not limited to, projected climate hazards and anticipated impacts). The information available from third parties may change over time due to a number of factors, including a change in reporting methodology or changes in reporting standards applying to that third party.

This report contains forward looking statements, including climate related scenarios, targets, assumptions, climate projections, forecasts, statements of EBOS' future intentions, estimates and judgements. These statements involve assumptions, forecasts and projections about EBOS' present and future strategies and the environment in which EBOS will operate in the future, which are inherently uncertain and subject to limitations, particularly as to inputs, available data and information which is likely to change.

This report is not an offer document and does not constitute an offer or invitation or investment recommendation to distribute or purchase securities, shares, or other interests. Nothing in this report should be interpreted as capital growth, earnings or any other legal, financial tax or other advice or guidance. For detailed information on our financial performance, please refer to our Annual Report.

To the maximum extent permitted by law, EBOS and its directors, officers, employees and contractors shall not be liable for any loss or damage arising in any way from or in connection with any information provided or omitted as part of these Climate Statements.

1.5 Risks, including in relation to targets

Regulatory approvals/ changes impacting solar arrays:
The ability to meet the targets relies, in part, on the construction and commissioning of solar arrays in Australia and the entry into relevant agreements related to those solar arrays. This may be impacted by delays in regulatory approvals or regulatory changes.

Availability of carbon credits and offsets: the ability to meet the targets relies, in part, on Australian Carbon Credit Units (ACCUs)[1] being available at an economic price. The Group does not control the price of ACCUs. If the price of ACCUs was to substantially increase such that it was uneconomic for the Group to purchase ACCUs (or a recognised equivalent), this would impact the Group's ability to offset its emissions.

Use of unaccredited offsets: The Group reports on carbon offsets generated by Greenfleet, a long-standing partner of the Group. Unlike ACCUs, these offsets are not accredited but are subject to assurance by an independent third party engaged by Greenfleet. If we set targets for certain Scope 3 emissions in the future, we may rely on Greenfleet offsets. If Greenfleet cannot generate the expected carbon offsets for any reason, this will impact the Group's ability to offset emissions and would require the Group to acquire offsets from an alternative source, such as ACCUs, which cost could substantially increase such that it was uneconomic for the Group to buy them.

1 One ACCU represents one tonne of carbon dioxide equivalent (tCO2-e) that would have otherwise been released into the atmosphere under the Australian Government's Australian Carbon Credit Unit (ACCU) Scheme.

Leased sites: The Group has a mix of owned and leased sites. Where large sites are leased and are capable of doing so, the Group will work with the landlord on measures to limit carbon emissions from the building. However, it is possible that the landlord may refuse or limit the Group's requirements.

Increased GHG inventory: The Group has a well-established strategy of investing for growth, including through acquisitions. If and when businesses are acquired, these will be included in our greenhouse gas (GHG) inventory (the timing of including acquired businesses is more fully described below). There is no guarantee that the Group will be able to meet any future targets related to GHG emissions where there is a material increase in the Group's GHG inventory as a result of acquisitions. In addition, an increase in the Group's GHG inventory could lead to a corresponding increase in the amount of offsets acquired by the Group or an increase in costs related to measures to limit GHG emissions.

Regulatory, policy and market practice risks: There have been and continue to be frequent changes in climate-related policies, laws and market practice in the markets in which the Group operates. The dynamic regulatory environment and developing market practice could create uncertainty and complicate long-term planning – for example, changes in expectations or requirements regarding the use of offsets could risk the Group's ability to meet its current and future targets. The implementation of stricter emission reduction targets or sustainability standards may necessitate significant operational changes and investment. The financial burden of complying with new regulations, including reporting and mitigation requirements, could result in increased costs for the Group.

Operational risks: In order to achieve its targets, the Group will need to invest in projects such as the solar arrays. There may be unforeseen additional direct and indirect costs associated with implementing such projects, for example the cost of materials and labour, supply shortages and latent conditions.

Reliance on third party information: The Group relies in part on suitably qualified third parties for information included in this document (for example, but not limited to, projected climate hazards and anticipated impacts). The information available from third parties may change over time due to a number of factors, including a change in reporting methodology or changes in reporting standards applying to that third party.

Technological advances and adoption of technology: The targets (both present and potential future targets) and the Group's transition plan will be dependent on the availability of technology that is feasible on both a commercial and technical basis.

1.6 Adoption provisions

In this report, EBOS has elected to apply the following NZ CS 2 adoption provisions:

- Adoption provision 1: Current financial impacts
- Adoption provision 2: Anticipated financial impacts
- Adoption provision 3: Transition planning
- Adoption provision 4: Scope 3 GHG emissions
- Adoption provision 6: Comparatives for metrics
- Adoption provision 7: Analysis of trends

2. GOVERNANCE

This section describes the role of the EBOS Board in overseeing climate-related risks and opportunities, and the role of management in assessing and managing those considerations.

2.1 Governance of climate-related risks and opportunities

In accordance with our **Corporate Governance Code,** the Board has responsibility for approving, overseeing and monitoring the Group's response to and management of climate-related risks and opportunities. It has established regular reporting to guide and monitor implementation of EBOS' ESG program, including assessment and management of climate-related impacts, in line with other aspects of corporate strategy.

In FY24, the Board held six regular meetings. The ESG Update, which included consideration of climate-related impacts, was included on the agenda at each of these meetings.

Board-level reporting cadence

- The Board reviews the Group's strategic risk profile (this includes climate-related risks which are incorporated into specific non-financial risks such as 'supply chain disruption' and 'loss of critical operations') typically annually. The Board also approves the Group's risk appetite statements setting out the level of risk the Group is willing to take in relation to specific risk categories.
- The Chief Executive Officer (CEO), or a member of the executive leadership team, reports to the Board on the Group's ESG Update, including climate-related performance, at each Board meeting. The CEO, with input from the ESG Steering Committee, proposes GHG emissions metrics and targets for managing climate-related risks and opportunities which are then presented to the Board for review, input and approval. Progress towards achievement of these metrics and targets is reviewed at least annually.
- The Board reviews and approves the Group's annual Sustainability Report and annual Climate Statement.
- The Board approves the Group's Carbon Reduction Plan (CRP) which is reviewed periodically and includes certain metrics and targets.
- Whenever applicable, the Board intends to consider climate-related impacts of all material investments, including mergers and acquisitions and investments in infrastructure and physical assets with technical or economic lifespans exceeding five years. Board materials for these investments will include a statement on relevant climate-related risks and opportunities. For assets, Board materials will include the expected impact on Scope 1 and 2 emissions.

Role of the Audit and Risk Committee

The Audit and Risk Committee (ARC) is a committee of the Board and is made up of a subset of members of the Board. In accordance with its **Charter**, the ARC assists the Board in exercising due care, diligence and skill for identifying and monitoring material business risks, including climate risks.

The ARC had three regular meetings in FY24. The CEO and Chief Financial Officer (CFO) report to the ARC on strategic risks, including climate-related risks, at every regular ARC meeting. Through this reporting, the ARC monitors the Group's strategic risk profile and the implementation of risk appetite levels, which it reports back to the Board.

The ARC also reviews (and recommends for approval) the Group's annual Climate Statement.

2.2 Board training and competence

The Board undertakes appropriate training as set out in the **Corporate Governance Code**. Formal training on climate risk approximately every two years supports Board members to keep up to date about the evolving climate-related risk and opportunity landscape. Additional ad-hoc training will be provided in response to major new developments, as required.

The **Board skills matrix** has been updated to reflect Board members' experience in developing and overseeing environmental and social responsibility agendas, and specifically, programs related to climate risk.

2.3 Impact on strategic decision-making

In addition to considering climate-related impacts of material investments, the Board considers climate change impacts as part of the Group's broader responsibilities to the communities we serve as documented in our annual Sustainability Reports and Annual Reports. These reports are also reviewed and approved by the Board. Climate change considerations fall within the Community and Environment pillar of our ESG Program, together with other material topics.

In FY24, we continued to develop our CRP. The CRP further enhances and refines the Group's response to climate change by setting out the Group's strategy for responding to climate-related risks and opportunities as we transition to a low-carbon economy.

2.4 Management of climate-related risks and opportunities

At a management level, the CEO and CFO report to the Board and the ARC on how the Group's material business risks are being managed effectively and updates the risk rating of strategic risks on an ongoing basis. Management presents proposed changes to the Board, or the ARC as required.

The CEO has delegated responsibilities for executive management of the identification of the Group's climate-related risks and opportunities to the ESG Steering Committee, chaired by the Executive General Manager Strategic Operations, ESG and Innovation.

In accordance with its Charter, the ESG Steering Committee is composed of executive leaders of the Group's major business functions with responsibility for the ESG Program **(Figure 1)**. The ESG Program comprises various sub-strategies focused on material topics identified and refined through stakeholder engagement.

The ESG Steering Committee meets at least quarterly to monitor the implementation of the ESG Program, including climate-related metrics, targets, risks and opportunities. It prepares the Group's annual Sustainability Report for Board approval and recommends improvements for the ESG Program and related management processes, as needed, to the CEO, ARC and Board. These are the key formal mechanisms for management to be informed about, make decisions on and monitor climate-related risks and opportunities.

The ESG Steering Committee oversees the preparation of the Group's annual Climate Statement in compliance with relevant legislation. The Climate Statement is reviewed by the Group CEO and CFO prior to being presented to the ARC for review and Board for approval.

Figure 1: Organisational Structure and ESG Steering Committee composition

2.5 Remuneration

While progress in relation to the Group's ESG Program is factored into the determination of the CEO short-term incentive outcome, climate-related performance metrics are not currently incorporated into the Group's executive remuneration policies or approaches. We intend to consider periodically if climate-related targets should be included in executive remuneration with due consideration of the materiality of identified risks and the Group's performance against plans and targets.

3. STRATEGY

This section describes current and anticipated impacts of climate change referencing the Group's climate scenario analysis, identification of climate-related risks and opportunities, and positioning with respect to a global and domestic transition toward a low-emissions, climate-resilient future.

The content of this section reflects findings from a standalone climate scenario analysis (which included a climate risk and opportunities assessment) undertaken in FY23 with the assistance of an external qualified New Zealand-based service provider and information provided by one of our insurers.

The inclusion of specific climate-related impacts, risks and opportunities in this statement does not necessarily indicate that the Group considers them material or to have a potentially material financial impact. The Group is undertaking further work to assess the financial impacts of current and anticipated climate-related physical and transition impacts on the Group.

3.1 Current impacts

Current climate-related impacts for the Group fall into two categories:

- **Physical impacts** arise directly from climate system changes. These can be further distinguished between event driven exposures, which are referred to as acute risk, and longer-term shifts in climate patterns, which are referred to as chronic risk.
- **Transitional impacts** arise as regulators, customers, business partners, local communities and the economy at large adapt to climate change by transitioning to a lower-carbon future. This process is likely to involve changes in technology and the market availability of products and services as well as new regulations and evolving customer demands.

3.1.1 Physical impacts

The Group experienced acute physical weather-related events that could be attributed to climate change during the reporting period, none had an impact we consider material. For example, tropical cyclone Kirrily struck Queensland in January 2024, cutting power to thousands of homes and businesses including our Townsville distribution centre. The emergency generators were activated to maintain critical temperature control for cold chain medicines. We did not incur any notable damage and deliveries to customers resumed with the opening of roads and airports.

3.1.2 Transition impacts

EBOS has not experienced any material climate-related transition impacts in FY24. We are taking action as a Group to implement a range of initiatives intended to advance the transition aspects of our strategy, including emissions reduction initiatives, described in **Table 6.** These initiatives require resourcing which is a resulting impact on the Group.

3.2 Scenario analysis

The Group's scenario analysis considered three scenarios based on Representative Concentration Pathways (RCPs) and Shared Socioeconomic Pathways (SSPs) sourced from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (**Table 1**). Our 1.5-degree Celsius scenario is based on RCP 2.6 and our 3-degree scenario on RCP 8.5. For our third scenario we have chosen a 2-degree scenario based on RCP 4.5. We selected these scenarios as they outline a broad range of possible and generally well-documented futures over multiple horizons that encompass the whole Group's operations.

Overseen by the Board and managed by the ESG Steering Committee, a scenario analysis was undertaken in consultation with external advisors and a selection of internal management stakeholders in FY23. The outcome of this stand-alone exercise was reported to the ARC and was consistent with information provided by our insurers.

A diagram of the program of work is depicted in **Figure 3 – Tools and Methods used for Scenario Analysis** on page 15**.**

Table 1: Overview of climate scenarios

Physical climate scenario	RCP 2.6	RCP 4.5	RCP 8.5
Description	Considered the best case for limiting climate change impacts, this scenario requires a major turn-around in climate policies and concerted worldwide actions to reduce GHG emissions drastically. Global mean surface temperature continues to rise but is projected to stay below two degree Celsius above pre-industrial levels.	An intermediate scenario that assumes a stabilisation of GHG emissions by 2050 and declining afterwards. Global mean surface temperature continues to rise and is projected to reach two degrees Celsius above pre-industrial levels.	Representing a possible worst-case scenario with a continued rise in GHG emissions past 2050. Global mean surface temperature continues to rise and is projected to exceed two degrees Celsius above pre-industrial levels.
Socio-economic scenario	SSP1: Sustainability-focused growth and equality.	SSP2: Trends broadly follow historical patterns.	SSP5: Unconstrained growth in economic output.
	Low challenges for mitigation (resource efficiency) and adaptation (rapid development).	Intermediate challenges.	High challenges for mitigation (regionalised energy and land policies) and adaptation (slow development).
Global GHG trajectory	Net zero by 2050.	Stablisation by 2050, declining to net zero thereafter.	Continued rise.
Global temperature outcomes	<1.5 °C with limited overshoot (Paris Agreement goal achieved).	>2 °C and <= 3 °C	>3 °C
Physical impacts	Supply chain and operational disruptions from climate hazards.	More significant disruptions from more extreme climate hazards.	More frequent and severe impacts increasing over time.
Transition impacts	Trend towards localisation of production and smooth adoption of low-carbon technologies.	Most significant of all scenarios. Delayed, rapid, disorderly, and costly transition.	Mixed impacts. Rising demand for healthcare. Supply chain and market disruptions.
Political context	Strong mitigation and adaptation policies. Compliance with effective climate mandates.	Slow initial response followed by disorderly implementation of more severe climate mandates.	Focus on health, education, and institutions. Uncoordinated and reactive on climate adaptation.
Social context	Progressively aging population (Australia and New Zealand) with moderate growth and moderate immigration.	Increasing social division. Aging population with higher growth driven by immigration.	Higher population growth driven by immigration. Increasing urbanisation and rising burden of climate-related disease.
Technological context	Rapid development and uptake of affordable green technologies.	Slower development of green technologies at higher cost.	Productivity-enhancing fossil fuel dependent technologies maximising production.
Economic context	Creation of new green jobs. Incentives for localisation. Good access to finance for firms with strong ESG credentials.	Rising trade protectionism. Increasing cost of finance. Economic instability.	Higher economic growth. Strong investment in health, education, and institutions.
Energy pathways	Increasing renewables, declining reliance on coal and fossil fuels.	Historical patterns continue.	Energy-intensive, increasingly fossil fuel-based growth.
Nature-based solutions	Effective international cooperation on land use, including deforestation and agriculture.	Limited efforts on deforestation and agriculture.	Continued deforestation.
Negative emissions technologies	Some reliance on negative emissions e.g. bioenergy with carbon capture and storage.	Low reliance on negative emissions.	Not applicable.

As our strategy continues to develop, we are evaluating climate hazards under each scenario impacting the Group's operations across Australia and New Zealand (**Table 2**) using historical data and forward-looking projections from local data sources (e.g. NIWA for New Zealand and Bureau of Meteorology and CSIRO for Australia). Where such data is not readily available, we refer to reputable sources such as the World Resources Institute (WRI) and peer-reviewed scientific journals.

Additionally, we have cross-referenced our scenario analysis with the Climate Change Impact Reports from one of our insurers.

We did not undertake any modelling.

Table 2: Overview of projected climate hazards arising under all climate scenarios assessed

	Australia	New Zealand
Heatwaves	More extreme heat events Greater frequency of very hot days in summer	
Temperature	Rising mean temperature – particularly New South Wales (NSW) More extremely hot days Fewer extremely cool days Extreme heat may trigger bushfires	More hot days
Bushfires	More days with extreme fire danger – specifically NSW, Western Australia (WA)	
Drought	Declining rainfall, especially in the cool season – specifically WA, Victoria (VIC), South Australia (SA), Queensland (QLD) and Tasmania (TAS) Increasing duration of droughts Increasing frequency and duration of extreme droughts	
Precipitation	Increasing frequency and intensity of extreme rainfall events – specifically QLD, VIC	Increase in rainfall intensity – particularly Auckland
Wind	Increasing wind speeds associated with tropical cyclones, winter storms, thunderstorms and tornados – specifically TAS, VIC, WA, NSW	
Sea-level rise	Increasing risk of coastal flood – specifically QLD, SA, VIC	Increased risk of coastal flood – particularly Wellington

Table note – coloured boxes indicate data not identified in the risk assessment.

3.3 Climate-related risks and opportunities

Headline climate-related risks for the Group have been identified with an indication of 'Exposure to threat' and 'Value chain vulnerability' (**Table 3**). Management has evaluated potential impacts of the risks over three time horizons. These time horizons align with published information, insurer assessments and internal strategic planning horizons:

- Short-term (2 years to 2025)
- Medium-term (7 years to 2030)
- Long-term (27 years to 2050)

EBOS undertakes an annual strategic business review for a 3-year period which aligns with the short-term horizon. Medium and long-term horizons particularly apply to capital projects that could have an economic and technical life of up to 20 years (up to 50 years for real estate). These horizons could also apply to property leases that may have renewal options meaning that the total term of such leases could be up to 25-30 years.

The Group's business and distribution network is characterised by low-to-moderate climate-related vulnerability. Notwithstanding this, we continue to systemically evaluate operational risks, such as fire and flooding, including the disruption of such events to transport and utility services, for all key existing properties, relocations and new developments. These assessments ensure that appropriate mitigation measures are in place, including insurance, backup systems, critical communications and fire protection.

The identified risks are generic and have general application to all business units in all geographies.

Table 3: Climate-related risks

	Category	Headline risk	Risk assessment		Time horizon		
			Exposure[1]	Vulnerability[2]	Short 2025	Medium 2030	Long 2050
1	Physical (Acute/Chronic)	Demand for additional packaging requirements	High	Low			✔
2	Physical (Acute)	Damage to EBOS assets/stock from extreme weather events	Moderate	Moderate	✔	✔	✔
3	Physical (Chronic)	Increased demand for temperature-controlled facilities and operations	Moderate	Low	✔	✔	✔
4	Physical (Acute)	Disruption to supply chain from extreme weather events	Moderate	Low	✔	✔	✔
5	Physical (Chronic)	Demand to hold stock closer to market	Moderate	Low			✔
6	Physical (Acute)	Reduced labour availability due to employee relocation	Low	Moderate			✔
7	Physical (Acute)	Increasing resilience needs for existing and new sites	Low	Low	✔	✔	✔
8	Transition (Tech)	Reduction in capacity/ increased costs of current methods of transport	High	High		✔	✔
9	Transition (Market)	Increased cost and reduced access to insurance	High	Moderate		✔	✔
10	Transition (Legal)	Increased public sector requirements to compete	High	Moderate		✔	✔
11	Transition (Legal)	Evolving regulatory and customer/consumer expectations	High	Low		✔	✔
12	Transition (Social)	Inability to retain workers due to poor perception of sustainability	Moderate	Moderate		✔	✔
13	Transition (Social)	Reputational risk associated with “greenwashing”	Moderate	Low		✔	✔
14	Transition (Social)	Inability of suppliers/partners to keep up with required rate of change	Low	Moderate		✔	✔
15	Transition (Tech)	Decarbonisation technologies fail to provide expected/ required investment return	Low	Low		✔	✔
16	Transition (Tech)	Poor reliability of new decarbonisation technology	Low	Low		✔	✔

Notes

1. Exposure to threat (% of EBOS value chain exposed): Low 0-25%; Moderate 25-50%; High 50-100%
2. Value chain vulnerability (likelihood of value chain being adversely affected): Low – Low likelihood; Moderate – Moderately likely; High – High likelihood

EBOS may stand to benefit from climate-related transition opportunities associated with the timely and cost-effective transition to a low-carbon future, as listed in **Table 4**, however, we do not consider any EBOS business activities to be uniquely aligned with future climate-related opportunities. We continue to explore these opportunities, and other opportunities, as a part of our 'business as usual' disciplines and in the context of our ESG Program but consider the financial impact currently to be immaterial in the context of this disclosure.

When looking at potential opportunities, we have not distinguished between the different time horizons. The identified opportunities are generic and have general application to all business units in all geographies.

Table 4: Climate-related opportunities

Sector/ EBOS business	Identified opportunities
Manufacturing/ processing	Lower energy and water use and associated costs
	Diversification of supply base helping to reduce climate risk exposure and costs
	Better access to investment opportunities/capital due to lower climate risk compared with other industries
	Early adoption of decarbonisation technologies (e.g. solar array) helping to reduce climate risk exposure and costs
Wholesaling/ distribution	Switching vehicle fleet to renewable fuels helping to reduce climate risk exposure and costs
	Business growth opportunities for distribution of climate adaptation medications (e.g. to combat dengue, malaria)
	Early adoption of decarbonisation technologies (e.g. solar array) helping to reduce climate risk exposure and costs
	Enhanced ability to attract and retain workers compared with emissions intensive industries, improving competitiveness and reducing associated costs
	Opportunities to benefit from synergies and consolidation of logistics activities (e.g. network design) improving efficiency and helping to reduce climate risk exposure and costs
Retailing; Healthcare	Better market differentiation as preference of suppliers and consumers shifts in favour of low emission products/services/organisations creating opportunities for business growth
	Increasing demand for healthcare products, and expansion into new healthcare related sectors, associated with increasing burden of disease linked to climate change

3.4 Anticipated impacts

Building on the outcomes of the climate risk and opportunity assessment, the Group has identified its reasonably anticipated impacts of the climate-related risks identified above over the medium-term (2030) and long-term (2050).

In relation to physical climate-related risks to our assets, we use the Climate Change Impact Reports issued by our insurer for key facilities. **Table 5** provides a summary of the June 2024 report. There are 33 key facilities, and these are defined as facilities visited and audited by the insurer in the past five years. The exposure is location-based and does not consider site-specific mitigating controls. The Climate Change Impact Reports contain further information for each exposed facility such as the change in precipitation, temperature or sea level rise.

The insured value of these sites represents 83.1% of the total insured value.[2] All facilities owned or leased are insured. The report confirms some acute climate risk exposure to 'Extreme Precipitation', 'Wind' and to the chronic risk 'Sea level Rise'. The report identified four key facilities which have exposure to Sea level Rise, none of which are owned by EBOS, but are leased from a third party. Australia and New Zealand's broad exposure to drought and the insurer's location-based definition means most key facilities are located in areas with drought exposure. However, the financial impact of this is not currently considered material to EBOS in consideration of its business model and the location of its sites.

2 The sum of coverage for property value and business interruption.

Table 5: Anticipated physical impacts for key facilities

	EBOS key facilities			
	Medium term (2030)		Long term (2050)	
Climate peril	#	Exposed value[6]	#	Exposed value[6]
Acute risks				
Extreme precipitation[1]	5	8.0%	5	8.0%
Wind[2]	2	8.2%	2	8.2%
Chronic risks				
Mean temperature rise[3]	0	0.0%	0	0.0%
Drought[4]	32	99.4%	32	99.4%
Sea level rise[5]	4	12.2%	4	12.2%

Notes
1. Locations exposed to 100-year or 500-year flood based on insurer's evaluation.
2. Locations situated in a Full Wind Evaluation (FWE) Zones or in regions with 100-year wind speeds exceeding 100 mph based on current engineering data or wind maps.
3. Locations situated in regions where future change in temperature exceeds the 75th percentile of global climate model projections by any of the three climate change scenarios for the time period.
4. Locations situated in regions where future change in drought exceeds the 75th percentile of global climate model projections by any of the three climate change scenarios for the time period.
5. Locations situated in coastal flood zones as determined by engineering data (if available) or low-elevation coastal zones (defined as a region with less than 10m terrain elevation above mean see level and within 60 miles of nearest coastline).
6. Exposed value is the proportion of the Total Insured Value (property value and business interruption value) of the included facilities considered exposed.

We do not anticipate that climate-related transition risks will materially impact demand for the Group's products and services. In the medium to long-term, we recognise that our wholesaling and distribution business, currently representing 97% of Group revenue and 91% of Gross Operating Revenue (GOR[3]), may be vulnerable to transition risks from reduction in third-party transport capacity and increased cost. Given the nature of the Group's activities, third-party transport is expected to be a part of the Group's Scope 3 GHG emissions.

3 Gross Operating Revenue (GOR) comprises revenue less cost of sales.

3.5 Transition planning

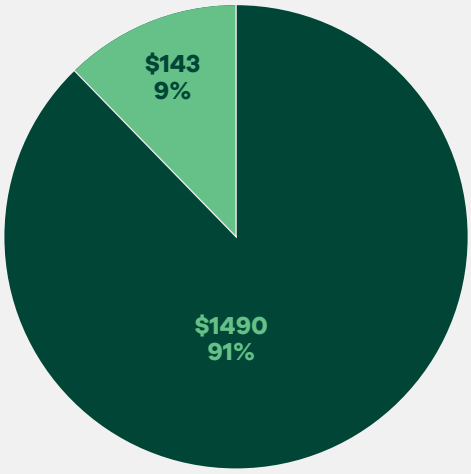
EBOS is the largest and most diversified Australasian marketer, wholesaler and distributor of healthcare, medical and pharmaceutical products and a leading marketer and distributor of recognised animal care brands. Our core business offering is to aggregate and supply healthcare and animal care products, thereby simplifying the lives of our customers so they can focus on what they do best.

The Group's GOR is derived predominantly (91%) from providing wholesale, distribution and contract logistics services as well as franchisor income. We value our relationship with suppliers, however, the Group's strategic reliance on specific products, and therefore, specific suppliers, is limited. Products can often be substituted, and we are often guided or required by others, such as regulators and customers, on what products we need to range and supply. We compete on service aspects such as delivery in-full and on-time and supplying a broad range of products. Many products are subject to a regulated price, so price negotiations are limited. We receive a distribution fee, a service fee or a markup on a list price in compensation for services provided.

The Group's remaining GOR (9%) is derived from EBOS-own brand products we create, including pet food and treats, vitamins, medicines, over-the-counter (OTC) products, medical consumables, medication aids and software solutions. These products are developed, processed or manufactured by the Group, or sourced under licence or contract manufactured.

Figure 2: Gross Operating Revenue

FY24 Gross Operating Revenue (GOR) $ millions



GOR derived from providing predominantly wholesale, distribution and contract logistics services, and franchisor income.

GOR derived from products we create carrying EBOS-own brand, including pet food and treats, vitamins, medicines, over-the-counter (OTC) products, medical consumables, medication aids and software solutions.

The fitness of our distribution network will continue to be a key focal point for the Group's corporate strategy. Building resilience is an existing and embedded risk management discipline. We must ensure our plans to reduce GHG emissions meet the reasonable expectations of our stakeholders, including staff, customers, suppliers and governments. In FY24, we focussed on developing our CRP, which represents progress to date toward our transition plan, to address risks and opportunities for our business related to potential transition impacts, such as cost increases, regulatory changes and evolving customer and consumer expectations.

Without targeted action, the Group's GHG footprint would increase in line with business growth. The CRP guides the transition of our business model towards a lower-carbon one. **Table 6** summarises planned initiatives, progress and status.

In relation to reducing our Scopes 1 and 2 GHG emissions, we are developing and implementing this plan in line with the following principles:

- Prioritising actions based on materiality and influence of control, focussing on electricity and gas, and in the future third-party transport (which is expected to be a part of the Group's Scope 3 emissions);
- Reducing emissions through energy efficiency improvements;
- Generating onsite renewable electricity;
- Switching to electrification to replace fossil fuels in stationary and transport applications, where technically and commercially feasible; and
- Acquiring offsets to balance residual Scopes 1 and 2 GHG emissions.

We are working to align transition aspects of our strategy with internal capital deployment as part of our governance and integrated risk management processes. We do not consider our capital currently deployed to climate risks and opportunities to be material. When evaluating sustainability-related investment decisions, we use an internal carbon price set at AU$40 per tonne.

Table 6: EBOS' transition plan progress to date

ID	Initiative	Sector/ EBOS business	Description and Status
1	Performance efficiencies – Drive down energy KPIs	Manufacturing/ processing; Wholesaling/ distribution	For existing facilities, we are currently considering various energy efficiency measures such as resetting cool room and freezer set points, upgrading to LED lighting, installing lighting controls, cleaning skylights, fixing cool room door seals, upgrading office air conditioning units, installing automatic high-speed doors for air conditioning spaces, and auditing compressed air system leakage. For new facilities, we consider energy efficiency in new developments including onsite solar generation. We set a target for our distribution facilities to reduce our grid-supplied electricity per square meter (sqm) floor space (GLA – Gross Leasable Area) by 15% against a FY21 base line. For FY24 we achieved a 10% grid-purchased electricity efficiency improvement per sqm against the FY21 baseline from opening new, more efficient, facilities and closing less energy-efficient facilities.
2	Alternative energy sources – Renewables		We are looking to change the way we procure and use electricity in Australia by generating and consuming renewable solar power. We are investing in a large solar array to significantly reduce the Group's reliance on procured electricity at our Parkes pet food manufacturing site in NSW. We have completed the 500kW roof-mounted array at our Parkes site and are now working towards installation of a 5MW ground-mounted solar array at the site. For FY24, we procured renewable electricity certificates (RECs) for all electricity consumed at EBOS facilities in New Zealand[4] and procured 'Greenpower' accredited renewable electricity in relation to the electricity consumed at three of our facilities in Australia[5], resulting in zero residual Scope 2 GHG emissions (under market-based GHG emission reporting) for these facilities.
3	Fuel switch – fossil fuels to electrification and biofuel		We plan to transition away from using fossil fuels at our facilities by progressively replacing existing fossil fuel powered equipment with low/ zero GHG emission equipment (e.g. run on electricity or biofuels), where it is available and technically and commercially viable, and taking into account the economic and technical life of existing assets.
4	Fuel switch – Electric Vehicles	Wholesaling/ distribution	We are assessing and intend to pursue commercially viable options to support selected service providers in their transition to lower emissions vans and small trucks, including electric alternatives. This initiative is dependent on third-party service providers choosing to replace their vehicles. Our phased and gradual approach recognises that assets have their economic and technical life cycles. The conversion to low or zero-emission freight vehicles on a meaningful scale is not yet considered to be commercially or technically feasible.
5	Circular economy – Sustainable packaging	Manufacturing/ processing; Wholesaling/ distribution	Initiatives on packaging stewardship, materials and waste reduction will help to reduce emissions. Our grocery brands are on track to commence the transition to more sustainable packaging in 2025 by eliminating hard-to-recycle plastics to meet industry expectations and anticipated government regulations.
6	Offset – acquiring and retiring carbon credits	Wholesaling/ distribution	EBOS has a longstanding partnership with Greenfleet, a leading environmental not-for-profit, to offset transport emissions. In our CRP we have committed to increasing our donations to Greenfleet by acquiring 10% more CO_2e-offsets per year. Our donations are used for biodiverse reforestation projects using native trees. For our FY24 donations, Greenfleet will plant trees that are expected to sequester 18,260 tCO_2e during their lifecycle. We plan to use credible carbon credits such as ACCUs to offset residual Scope 1 and Scope 2 GHG emissions. For FY23 and FY24 we acquired and retired 2,984 and 3,530 ACCUs respectively, offsetting all reported Scope 1 emissions.

4 EBOS' RECs were procured from Meridian Energy Limited – www.meridian.co.nz and Lodestone – www.lodestoneenergy.co.nz
5 Greenpower is an Australian government accredited renewable energy product offered by most electricity retailers to households and businesses in Australia. For more information see https://www.greenpower.gov.au/.

4. RISK MANAGEMENT

This section describes how climate-related risks are identified, assessed and managed and how those processes are integrated into our existing risk management processes.

4.1 Climate-related risk management processes

Climate-related risks are incorporated into the Group's assessment of strategic risks and proportionately prioritised compared to other risks. We used the climate scenario analysis as the assessment tool to assess the Group's climate-related risks and opportunities in FY23 (**Figure 3**). The scope of this assessment did not explicitly exclude any part of the value chain.

To address the scale and diversity of our activities across Healthcare and Animal Care, impacts for individual business segments are consolidated up to a Group level.

The outcomes of this assessment were reported to the ARC and the Board. We intend to assess the materiality of identified risks and opportunities during FY25 and quantify the financial impact as required. From FY26 onwards, the ESG Steering Committee is committed under its Charter to conducting an annual review of climate-related risks and opportunities. It is anticipated that the Group will engage an external provider to support the review approximately every three years.

As more fully described below, climate-related risks are incorporated into the Group's assessment of strategic risks based on likelihood and consequence.

Figure 3: Tools and methods used for scenario-based analysis

	Identify Risks	Drivers of change	Scope boundary	Climate scenarios	Impact assessment
Key activities	Document review	Identify opportunities Identify and rank drivers of change	Define organisational and operational boundaries	Develop climate scenarios referencing RCPs and drivers of change	Understand risks and opportunities and their impacts
Outputs	List of risks and opportunities	List key information to include in climate scenarios	Specify scope of the scenario analysis	Develop bespoke narratives to contextualise analysis	Impact pathways with qualitative financial impacts
Areas of focus	Physical risks Transition risks	Social Technological Economic Environmental Political	Global markets Services and assets Sites Activities	RCP 2.6 RCP 4.5 RCP 8.5	Business impacts – operations, investments Financial impacts – CAPEX, OPEX, ROCE

4.2 Overall risk management processes

The Group's Risk Management Policy outlines measures implemented by the Group to ensure appropriate management of material risks across the business. Risk management is defined as the identification, assessment and treatment of risks that have the potential to materially impact the Group's operations, people and reputation, financial prospects, environment and communities in which we work. The policy outlines the roles and responsibilities of the Board, ARC and Management to achieve these objectives. In assessing climate-related risks, we adopt the same time horizons as for our scenario analysis, detailed in 3.1 - Climate-Related Risks and Opportunities.

We assess the significance of material risks in the Group's strategic risk profile, which was last reviewed in August 2024, using a likelihood and consequence matrix. Climate-related impacts contribute to specific non-financial risk factors such as 'Supply chain disruption' and 'Loss of critical operations'.

Outcomes of the climate scenario analysis and insurance assessments support, and are consistent with, the Group's strategic risk profile. We continue to review our exposure to material environmental and social risks as part of the risk management framework and plan to incorporate new strategic risks such as those identified through climate scenario analysis and insurance assessments. Building resilience, including resilience to natural hazards and climate-related events, is an existing practice within the Group's property function when selecting and constructing new distribution and manufacturing facilities.

5. METRICS AND TARGETS

This section describes how the Group measures and manages climate-related risks and opportunities, including metrics and targets.

5.1 GHG emissions

We apply the operational control approach for consolidating GHG emissions. In line with Climate Active guidelines[6], we include all business units over which we have operational control, business units that are appropriately embedded in our ongoing operations and ones that have a carbon footprint we consider material[7]. Business units EBOS wholly or partially owns are disclosed in our **Annual Reports.**

For FY24 we have included all subsidiaries listed in our FY24 Annual Report, excluding entities listed as investments in associates over which we don't have full management control such as Animates NZ Holdings Limited and two small bolt-on acquisitions during FY24: Protec Solutions Limited and CAB Medical Pty Limited. For clarity, TWC and HPS pharmacies over which we don't have operational control are excluded but head office functions are included.

Table 7: GHG emissions

Metrics	Unit of Measure	FY24 Data*	Note
Scope 1 GHG emissions	tCO2e	3,530	1,2,4
Scope 2 (location-based) GHG emissions	tCO2e	18,289	1,3,4,5
Gross Scope 1 + Scope 2 GHG emissions	tCO2e	21,820	
Scope 1 offsets	tCO2e	(3,530)	6
Net Scope 1 + Scope 2 GHG emissions	tCO2e	18,289	
Gross Scope 1 + Scope 2 GHG emissions intensity ratio for GHG emissions per Gross Leasable Area (GLA) of distribution facilities	tCO2e/sqm GLA	0.0394	7
Net Scope 1 + Scope 2 intensity ratio for GHG emissions per million dollar GOR	tCO2e/$ million GOR	11.2	8

Notes

1. 124 facilities are reported in FY24 including commissioned and decommissioned facilities. The number at the close of 30 June 2024 is 115, of which we deem 67 (87.6% of GLA) distribution facilities, 7 (8.6% of GLA) manufacturing facilities, and 41 offices (3.8 % of GLA).
2. Scope 1 includes fugitive gases and direct emissions from consumption of gas for domestic and industrial use and material handling equipment, fuel for generators, water pumps and fire hydrants. The emissions factors are based on the Australian National Greenhouse Accounts, New Zealand Ministry for the Environment 2023 and Climate Active accounting methods.
3. Scope 2 includes emissions from purchased electricity using location-based emission factors. The grid emissions factor for New Zealand is sourced from the Ministry of Environment (2023), for Australia factors are sourced from the Australian National Greenhouse Accounts Factors (2023) and for Southeast Asia factors from the IEA report (2022).
4. Electricity and natural gas data have been calculated using electricity metering and billing data. Data gaps have been estimated. Estimated electricity is ~5.6%. Estimated natural gas is ~8.6%.
5. Certified Renewable Energy (9.8GWh) was purchased for all facilities in New Zealand and GreenPower for three locations in Australia, however, this is not reflected in location-based GHG emission reporting.
6. EBOS acquired and retired 3,530 Australian ACCUs to offset Scope 1 emissions, refer to note 1 for Table 9 (Targets).
7. Only distribution facilities operational for the entire reporting year are included in the calculation to simplify like-for-like reporting. Seven distribution facilities commissioned during the year, but not operational for the entire reporting year, are not included, hence 60 distribution facilities are included in this metric for FY24. GLA or 'Gross Leasable Area' refers to the size of a facility in square meters.
8. GOR or Gross Operating Revenue has the same meaning as given to it in our FY24 Annual Report.

6 https://www.climateactive.org.au

7 Each reporting period we will assess our organisational boundaries and we may exclude business units not wholly owned by EBOS (insufficient operational control), business units with less than 10 employees (FTEs), or with an immaterial carbon footprint, or recent acquisitions, defined as acquisitions made within 18 months of the commencement of the reporting period (not sufficiently embedded).

5.2 Assurance of GHG emissions

The Group's Scope 1 and Scope 2 GHG emissions are subject to independent limited assurance by Bureau Veritas **https://www.ebosgroup.com/bureau-veritas-assurance.**

5.3 Other metrics

Information on other metrics has been disclosed in other sections of this statement (**Table 8**). We do not currently monitor industry-based metrics or other KPIs to measure and manage climate-related risks and opportunities.

Table 8: Other metrics

Metrics	Location of disclosure
Assets or business activities vulnerable to transition risks	Climate-related risks and opportunities (Table 3)
Assets or business activities vulnerable to physical risks	Climate-related risks and opportunities Transition planning (Table 3 & Table 5)
Assets, or business activities aligned with climate-related opportunities	Climate-related risks and opportunities (Table 4 & Table 6)
Capital expenditure, financing, or investment deployed toward climate-related risks and opportunities	Transition planning – section 3.5
Internal emissions price	
Management remuneration linked to climate-related risks and opportunities	Remuneration – section 2.5

5.4 Targets

EBOS has established its GHG emissions metrics and targets to steer progress in limiting global warming, guided by the Climate Active Carbon Neutral Standard (although we are not certified to this standard) to better understand and manage the GHG emissions that occur as a result of EBOS' operations (**Table 9**). This Standard is underpinned by carbon accounting and offsets integrity principles built on international best-practices, including Australian Standard (AS) ISO 14064 series, International Standard ISO 14040 series, ISO 14065:2013 – Greenhouse gases and The Greenhouse Gas (GHG) Protocol. In our view, each of our targets outline the Group's ambition to move progressively toward zero reported Scopes 1 and 2 GHG emissions after the deduction of offsets. This opinion has not been informed or endorsed by any specific methodologies provided by third parties and our targets are not science-based and therefore not specifically aligned with limiting global warming to 1.5 degrees Celsius.

We are currently focussed on reducing building-related Scope 1 and Scope 2 GHG emissions by improving energy efficiency and switching to renewable energy sources in our facilities in Australia. Since purchased electricity in New Zealand has a low emissions factor, all of our top 20 sites with the highest Scope 2 GHG emissions are in Australia. These 20 sites represent ~80% of total Scope 2 building emissions for the Group.

Table 9: Targets

ID	Metrics and targets	Target type	Target year	Status	Notes
1	Zero reported Scope 1 GHG emissions after offsets (Gross Scope 1 GHG emissions minus offsets)	Absolute	FY23	Achieved	1
2	Reduce grid-supplied electricity to distribution facilities in Australia and New Zealand (collectively) by 15% against a FY21 baseline. (kWH per square metre (GLA))	Intensity	FY25	Grid supplied electricity reduced by 10% kWH per square metre in FY24 (~66% reduction against FY21 baseline). Refer to Table 6, Initiative 1 for a concise description of our progress against target.	2, 5
3	Generate renewable energy to match the electricity consumption of all Australian sites	Absolute	FY27	Construction underway. Refer to Table 6, Initiative 2 for a description of our progress.	3, 5
4	Zero reported Scopes 1 and 2 GHG emissions (market-based) after offsets	Absolute	FY27	Not yet applicable: dependent on achievement of Targets 2 and 3 above.	4, 5

Notes

1. During FY23, 5,500 ACCUs were acquired and retired. A further 3,000 ACCUs were acquired and retired during FY24. Of these ACCUs, 2,984 ACCUs were applied against FY23 Scope 1 emissions and 3,530 against FY24 Scope 1 emissions. The Climate Active Carbon Neutral Standard recognises various offsets including ACCUs. One ACCU represents one tonne of carbon dioxide equivalent (tCO2-e) that would have otherwise been released into the atmosphere under the Australian Government's Australian Carbon Credit Unit (ACCU) Scheme. Under this scheme, eligible projects can earn ACCUs when they reduce or avoid emissions. Eligible projects must fulfil specific eligibility criteria and are subject to ongoing monitoring, reporting and auditing requirements.
2. Reduction in electricity intensity per square meter (GLA) of distribution facilities. Electricity intensity is measured as kWH per square meter facility size. GLA means Gross Leasable Area and is the key metric used for determining the facility size. The target is against an FY21 baseline of 86.0 kWh per sqm. Facilities commissioned and decommissioned during the base year and the relevant reporting years are excluded from the measurement for simplicity.
3. We are planning to self-generate electricity equivalent to the electricity consumption of all our Australian sites at our pet food manufacturing facility in Parkes, NSW, as well as other locations.
4. Target is based on market-based reporting and subject to achieving targets 2 and 3. We will rely on procuring green energy, such as Certified Renewable Energy in NZ and may rely on acquiring and retiring offsets, such as ACCUs for residual Scopes 1 and 2 emissions.
5. There are a number of factors that may impact our ability to meet the targets set out in this Climate Statement which are described in sections 1.4 (Principles of Reporting) and 1.5 (Risks, including in relation to targets).

5.5 Scope 3 GHG emission Targets

We are in the process of reviewing and establishing our Scope 3 boundaries, in particular the extent to which emissions associated with the extended supply chain of our finished goods for resale (wholesaled goods) are incorporated given EBOS' limited control and influence over the GHG emissions of these goods given our business model. **Table 6** includes a strategy to reduce our third-party freight emissions which represent a limited subset of our Scope 3 emissions. We have elected not to establish a target for this initiative and intend to do so once commercial and technological limitations are sufficiently overcome.

Signed on behalf of EBOS Group Limited by

Elizabeth Coutts
Chair
30 October 2024

Stuart McLauchlan
Director
30 October 2024

EBOS GROUP LIMITED

ebosgroup.com