Bega Cheese Limited

2024 SUSTAINABILITY REPORT



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ABOUT BEGA GROUP



ABOUT THIS REPORT

This is the 2024 Sustainability Report (Report) published by Bega Cheese Limited (ABN 81 008 358 503). Unless otherwise stated, this Report details the performance of Bega Cheese Limited in relation to material and other sustainability impacts during the financial year 1 July 2023 to 30 June 2024 (FY2024). Material sustainability topics are those which represent our most significant impacts on the economy, environment, and people, including impacts on their human rights. Bega Cheese Limited is a company publicly listed on the Australian Securities Exchange (ASX Code: BGA).

All references to a year refer to FY2024, unless otherwise stated. Some data has been included for previous financial years to provide trend information and context.

Throughout this Report we use "Bega Group," "Bega Cheese," "the Company," "the Group," "we," or "us" when referring to the entity of Bega Cheese Limited and its subsidiaries.

An outline of the current company structure and entity ownership is provided on page 11, with further details provided on page 89 of the 2024 Bega Cheese Limited Annual Report (Annual Report). Entities and the associated performance data included in the scope and boundary of this Report are listed in Appendix A. All currency referred to in this Report is in Australian dollars, unless otherwise stated.

This Report references the Global Reporting Initiative (GRI) Standards (2021) and the SASB Standard for Processed Foods (2018) (SASB Standard). A navigation index with links to relevant sections of the document is provided in Appendix E. We produce a suite of public reports including a Corporate Governance Statement, Workplace Gender Equality Report, an Australian Packaging Covenant Organisation Annual Report and a Modern Slavery Statement. This Report should be read in conjunction with our Corporate Governance Statement and the Annual Report, which provides a detailed overview of our financial and operating performance for FY2024.

We have, where appropriate, verified the source and accuracy of the information contained in this Report, and obtained limited independent assurance in relation to selected information. An assurance statement is provided in Appendix C. Where there are changes to previously reported data, this is explained in notes where the restated information appears.

This Report contains forward-looking statements. Forward-looking statements may be identified using terms including 'forecast,' 'estimate,' 'expect,' 'believe,' 'target,' 'likely,' 'anticipate,' 'should,' 'could,' 'intend,' 'aim' or similar expressions. These forward-looking statements are not guarantees or predictions of future performance. They are based on our good faith assumptions as at the date of this Report. Such statements can be impacted by known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results and performance to differ materially from those expressed or implied in the forward-looking statements.

Readers are cautioned to not place undue reliance on forward-looking statements. Except as required by applicable laws or regulations, we do not undertake any obligation to publicly update or revise such forward-looking statements or advise of a change in assumptions on which the statements are based. Past performance cannot be relied on as a guide to future performance.

The Board of Bega Cheese Limited has reviewed and approved the publication of this Report.

Please address any questions, comments or suggestions to **bega.admin@bega.com.au**. Previous reports are available at **www.begagroup.com.au**.



OUR PURPOSE

Our strategic priorities

We are a purpose-led organisation, and our business structure, vision and culture create an aligned and forward-looking organisation.

Our actions link with our sustainability commitments, which are fundamental to building trust with our stakeholders and delivering ongoing growth and value for our shareholders.

Our Vision

TO BECOME THE GREAT AUSTRALIAN FOOD COMPANY

Our Purpose

CREATING GREAT FOOD FOR A BETTER FUTURE

Our Values

- GROW OUR PEOPLE
- PASSION FOR THE CUSTOMER AND CONSUMER
- INVEST IN OUR FUTURE
- SUPPORT EACH OTHER

ABOUT US

Our transformation to a brand-led business

Since 2001, we have transformed from a dairy co-operative with a strong regional cheese brand into a diversified, branded, food and beverage business. This transition from a commodity-led to a brand-led company is positioning Bega for higher and more consistent earnings.

We will continue to strengthen and grow as a branded food products company, which creates value for our customers, consumers, suppliers and investors, and advances us towards our vision to become the Great Australian Food company.

2021–FUTURE

2017–2020

New platform with acquisition of grocery brands.

Shift in focus to grow branded business while diversifying milk sourcing.

Branded food portfolio including Vegemite.

Products expanded into non-dairy categories.





2001–2016

1899–2000





Chairman and Chief Executive Officer's Report

Barry Irvin
Executive Chairman
Peter Findlay
Chief Executive Officer



This year Bega Group celebrated its 125th Birthday, a great milestone and a demonstration of the commitment of generations to creating and building a sustainable business. Sustainability remains a key strategic priority as we work to ensure we will be making a difference and creating positive outcomes for all our stakeholders. Bega Group has a wonderful history and works everyday to build a business that will be sustainable for the generations to come. As we implement our current 5 year strategy which continues the important work of transitioning to a brand led business it has been appropriate to review our business operating model to ensure we are well positioned to manage the many challenges and opportunities the future holds. We have largely completed a management restructure which better aligns our business to our branded strategy, saves costs, improves our customer experience and directs investment to growth and productivity improvements. While implementing our restructure we have also reviewed and evolved our sustainability strategy. While this report outlines our progress we look forward to sharing more details of our commitment in FY2025.

Our global and domestic operating context again brought challenges this year. Local farmgate milk prices continued to be disconnected from global dairy commodity prices. While this resulted in some difficulties for the Bulk segment of our business, revenue from our Branded segment grew by 6%, and we expect to see better alignment in milk pricing in FY2025.

Inflationary pressures and higher input costs, such as fuel and energy, have been felt right across the national economy. This has resulted in less out-of-home consumption by consumers and, while our brands have performed strongly, our focus is now on growing our core categories and delivering efficiencies throughout our supply chain. While loyal consumers continued to seek convenience as well as health and nutrition outcomes, the need to deliver good value for money was a key theme and continues in FY2025.

In December 2023, we completed the acquisition of Betta Milk in Tasmania after selling our Canberra facility the month before. We then consolidated our Tasmanian processing operations at our Lenah Valley site to more efficient use our production capacity in the region.

We are proud of the company's heritage – its heart and home - in Australia. We aim for a future which is greater through sustainability, using our natural resources and a thriving agriculture sector to provide healthy and nutritious food into the future. Our revised sustainability strategy will focus on two key areas. First, we will demonstrate the importance of sustainability as a strategic imperative by complying with legislation and working with partners on common challenges in areas such as climate change and packaging. Second, we will use our business model and role in the community to make a greater difference through collaboration and leadership in the circular economy.

Our sustainability strategy since 2019 has been 'the greater good'. The revised iteration of the strategy works with our business of today and our ambitions for the future. Its three strategic pillars are circularity, community and collaboration. We continue to maintain our commitment to a 40% reduction in absolute scope 1 and 2 GHG emissions by 2030 (from FY2021 base year) and net zero by 2050. We are also committed to a 30% reduction in water consumption by 2030 (from FY2021 base year).

This year our Risk and Sustainability Committee refreshed our materiality assessment to inform both the evolution of our sustainability strategy and our reporting. There have been significant changes to the business, including acquisitions, since the previous materiality assessment. While some key topics, such as food safety, remained highly material, greenhouse gas emissions, climate change and emerging regulation have increased in importance to the business.

We also progressed our preparations for mandatory climate-related financial reporting, conducting a gap assessment against the requirements and obligations of the draft Australian standards. While we have reported on our scope 1 and 2 greenhouse gas emissions for many years, more work is required to improve our estimates of scope 3 emissions. Scope 3 emissions account for more than 90% of our overall emissions and dairy farming is the largest single source. A description of the work to date on assessing our climate risks appears in the Operating and Financial Review in our 2024 Annual Report, while information on our carbon targets and metrics are presented in this Report.

The strength of our brands also helps us innovate and deliver health and nutrition outcomes. We have expanded lactose-free options across our product ranges in both white and flavoured milk and launched Dare Oat Milk which further broadens our successful Dare range with plant-based options for consumers seeking lactose-free or vegan products.

Chairman and Chief Executive Officer's Report

We have made significant progress this year towards meeting our targets associated with the National Packaging Covenant. We continued to progress our national roll-out to use recycled plastic in our bottles of less than 1 litre for Dare Iced Coffee, Big M and Dairy Farmers Classic milk-based beverages. In 2021 we were the first to launch the use of recycled polyethylene terephthalate (rPET) in the dairy industry in Tasmania. We have since partnered with our two key bottle suppliers and invested $14 million to establish in-house production of the bottles at our Wetherill Park site. Across the Group more than 90% of our packaging is now reusable, recyclable, or compostable.

Our safety performance remains both an ongoing priority and a challenge. While we have delivered very slight improvement in some results this year, we need to do better. We continued to invest heavily in safety in FY2024, with a focus on improvements in manual handling, machine guarding, and traffic management at our key manufacturing and logistics sites. We continue to roll out training with respect to our six life-saving rules and have also started a program which focuses on wellbeing initiatives supported by physiotherapy providers at key sites.

As we look to the future, we recognise that effective collaboration will be vital to ensure a sustainable world. We continue to support the Bega Circular Valley 2030 program. Together with our project partners, we are determined to establish the Bega Valley as the most circular regional economy by 2030.

The design of the National Centre for Circularity in Bega is almost complete, with multiple projects underway ranging from decarbonisation in grazing and regenerative agriculture, to energy optimisation and material flow analysis. The work of the Regional Circularity Co-operative will help us to test new approaches and trial solutions in the region. As a foundation member of the RCC, Bega Group has been instrumental in ensuring the success of this ambitious 'place based' project that has already seen research and innovation projects creating many sustainability opportunities. Knowledge and understanding developed at Bega Group and the RCC will extend across the company and build on our objectives of collaboration, circularity and working with the community to ensure we continue to create great food for a better future.

We thank all our stakeholders, particularly our employees, the executive team, the Board, our farmer suppliers, and other partners for their commitment to our sustainability work throughout the year.

Barry Irvin
Executive Chairman

Peter Findlay
Chief Executive Officer



2024 FINANCIAL PERFORMANCE

at a glance

Top line revenue:

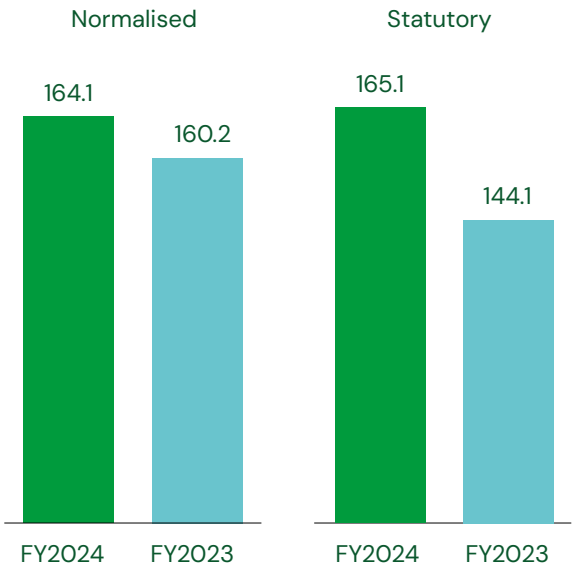
FY2024

$3.52 billion

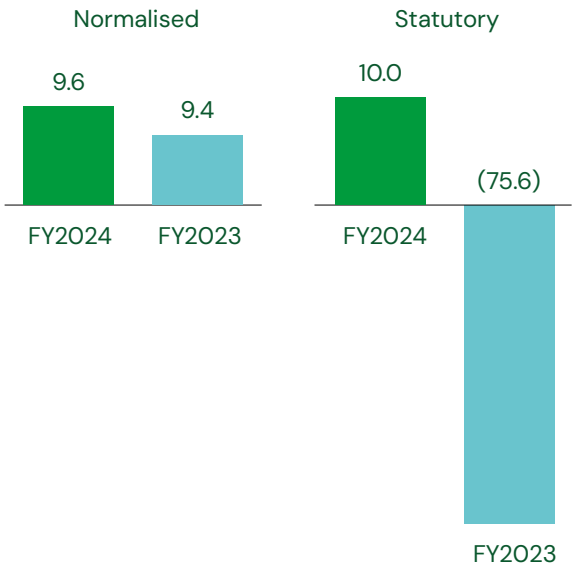
FY2023

$3.38 billion

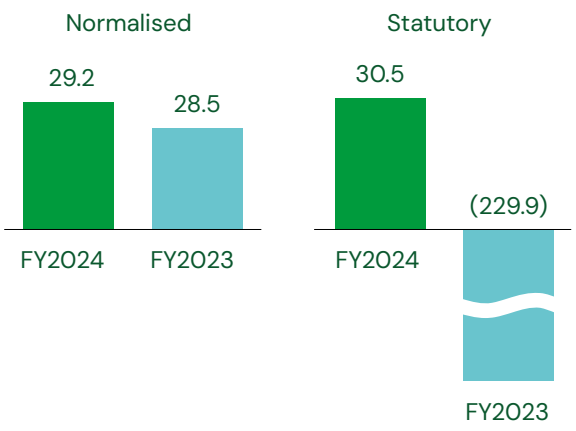
EBITDA ($ million):



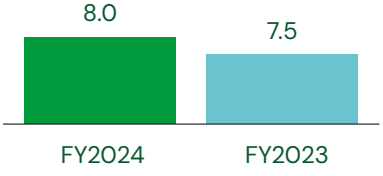
Basic earnings per share (cents):



Profit after tax ($ million):

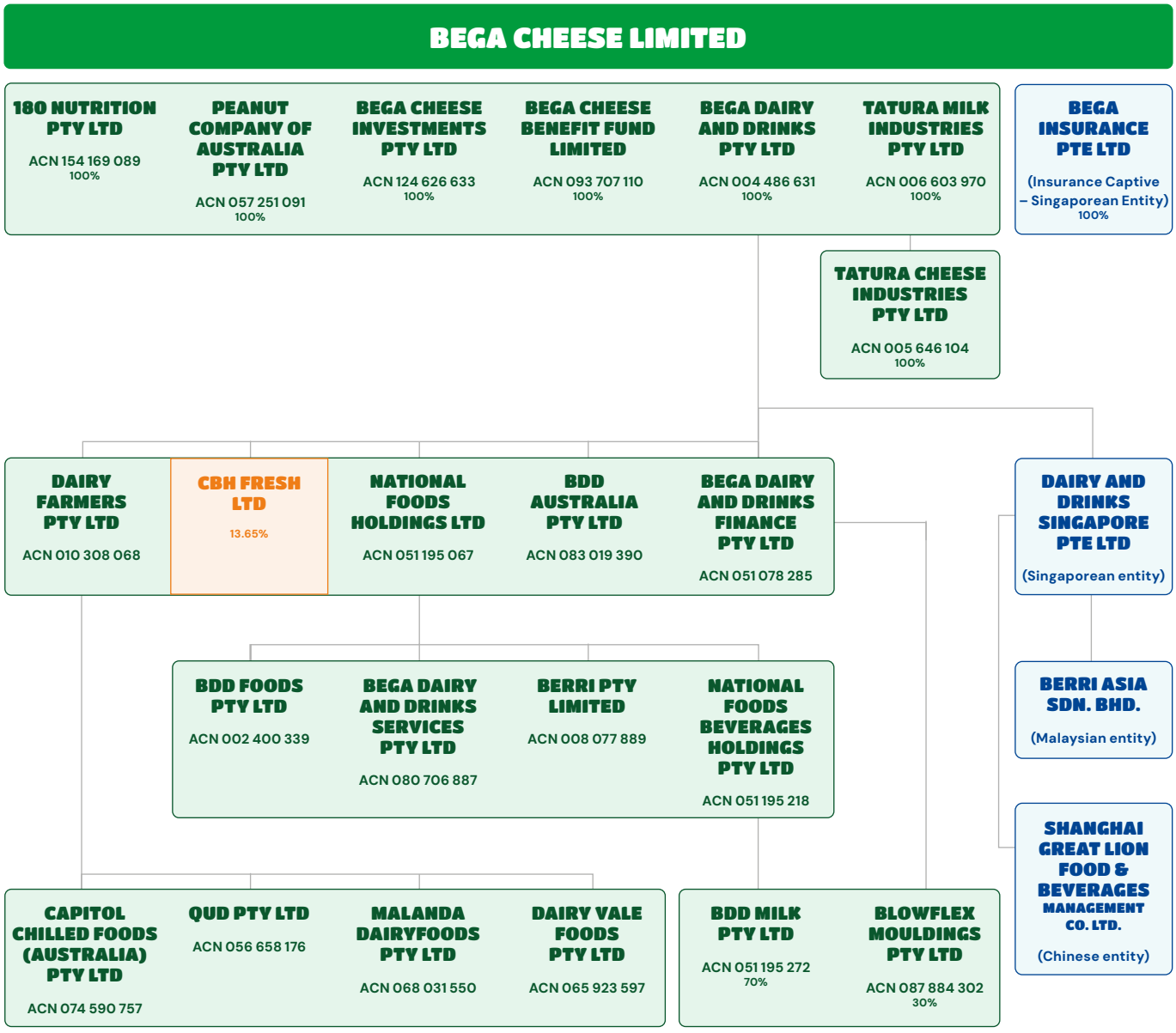


Total dividend per share (cents):



COMPANY STRUCTURE

as at 30 June 2024



OUR BRANDS, MARKETS AND OPERATIONS

Our manufacturing footprint brings flexibility, efficiency and scale

Our manufacturing sites are situated near major food and milk producing regions and key distribution points in our logistics network. This supports branded value creation through cost effective manufacturing at scale and national availability of our key branded consumer products.

The site footprint and supply chain integration between our Bulk and Branded businesses help us maximise the benefits from the annual 1.3 billion litres of milk we collect for Bega products. These benefits include balancing seasonal fluctuations in milk supply with demand, optimising milk procurement costs and increasing the value generated from the protein surplus of the Branded business.







We have a diversified portfolio of leading brands with strong market positions

Our top eight brands contribute over 74% of branded revenue[1] and include both essential consumer items and discretionary purchases. Many are iconic Australian brands with enduring consumer appeal.

Grocery category	Bega market share[2]	Bega market position	Bega brands
Milk-based beverages	50%	1	
Yoghurt[3]	25%	1	
Spreads	29%	1	
Fresh white milk	11%	3	
Chilled juice and drinks	22%	2	
Creams and custards	8%	4	
Water ice	85%	1	

[1] Includes Bega owned and licenced brands only.

[2] Data sourced from Circana Market Edge (AU grocery and structured convenience) 12 months to 30 June 2024 based on data definitions provided by Bega.

[3] Yoplait brand used under licence.

OUR STRATEGY

Over the next five years, we will continue to strengthen our position as a leading branded food manufacturer through our six strategic priorities underpinned by the foundation of 'Organisational enablement'.

We will expand gross margin and EBIT margin through:

- Enhanced technology solutions increasing customer engagement and interaction.
- Insight-led new product development delighting consumers.
- Revenue management - advanced promotional and product portfolio management and an agile Bulk business moved to the highest returning fat and protein pairings.
- Supply and cost of goods optimisation through supply productivity and site efficiency improvements.
- Cash flow and capital structure focus on enhancing returns and reducing the cost of funds.
- Increasing our scale and efficiencies to optimise our cost of doing business.



Progressing sustainability for the future

The Greater Good Strategy has been our sustainability approach since 2019 and we are pleased to announce its evolution.

Our approach to sustainability has, to date, been underpinned by our Greater Good Strategy, developed in 2019. Structured around three key areas of impact - our products, our people and communities, and our planet – it also aligned with the United Nations Sustainable Development Goals and was supported by the principle of circularity. As part of this commitment, we prioritised five areas across the business: food and nutrition, packaging, water sustainability, greenhouse gases, and diversity, inclusion and equality. We have reported our progress and performance on these priorities annually.

While the Greater Good Strategy has served the business well to date, throughout the year we have refreshed the Sustainability Strategy. Work on its evolution will continue into 2025.

This refreshed iteration of the strategy works with our business of today and our ambitions for the future. It focuses on our most material sustainability impacts as a business, as well as opportunities for business development, structured around three pillars: Circularity, Community and Collaboration. Our Risk and Sustainability Committee oversees this work - reviewing, reporting and, where appropriate, recommending changes in our sustainability approach to the Board. We will include further details on our strategy in the FY2025 Sustainability Report.



For generations, we have been in the hearts of every Australian. That is a heritage we are proud of, and it is a legacy that will endure. With abundant natural resources and a thriving agricultural industry, we are aiming for a future that is greater through sustainability. So we can keep nourishing and nurturing not just Australians but Australia, and the world, for generations to come.

Our sustainability ambition

GREAT FOOD FOR A BETTER FUTURE

To achieve our ambition, we will focus on three impact areas:

CIRCULARITY

Leading in circularity through our practices, industry partnerships and effective use, reuse and recycling of our resources.

COMMUNITY

Making a positive and lasting impact by supporting our people, their families and our communities.

COLLABORATION

Working together with our producers, partners and customers to enable sustainable practices, grow domestic economies and deliver great Australian products that people love and trust.

Focus Areas and Key Topics

In FY2024 we refreshed our list of material topics for this Report and conducted a materiality assessment, consistent with global standards, to determine our key risks, opportunities, impacts and priorities in sustainability.

The assessment included direct engagement with internal and external stakeholders, which gave us a 360-degree view of our business, broadening our perspective. The application of the materiality principle helps to focus our reporting and disclosure and informs priorities for strategy development and on-ground action in the areas which matter most. A summary of the topics assessed as highly material is presented below and more detail on the materiality assessment, stakeholder engagement and results can be found in the Governance section of this Report.

Most material topics	Definition	Our response
Greenhouse gas emissions	Addressing greenhouse gas emissions from agriculture, transport and manufacturing	Page 19
Food safety	Ensuring the safety, integrity, and nutritional quality of food products	Page 39
Health and safety	Prioritising the health and safety of employees by implementing robust health and safety protocols	Page 30
Product quality	Exceeding consumer expectations with high-quality products	Page 39
Responsible procurement	Effecting transparency and traceability throughout the supply chain and sourcing ethically	Page 41
Climate risk	Managing the impacts of climate change, creating resilience towards extreme weather events	Page 50
Corporate governance	Applying policies, procedures, and practices for overseeing and managing operations to ensure effective management, ethical conduct, and alignment with stakeholder interests	Page 51
Government regulations and policy	Complying with laws, regulations, and government policies and engaging policymakers	Page 53

CIRCULARITY



CIRCULARITY

Leading in circularity through our practices and effective use, reuse and recycling of resources.

GREENHOUSE GAS EMISSIONS REDUCTION

We have an impact on greenhouse gas emissions through both our manufacturing and, more significantly, our value chains. Investing in energy-efficient manufacturing processes, collaborating with suppliers and investing in renewable energy is our approach to mitigate emissions and address our energy costs.



Our approach

Our approach to addressing our impacts is based on our Environmental Policy which outlines our commitment to regulatory compliance and principles of continuous improvement in the consumption of natural resources, carbon emissions, waste generation and packaging. Our approach is based on the international standard ISO 14001:2015.

In FY2021 we adopted a series of defined carbon reduction targets and commenced our carbon reduction program. Our carbon reduction targets are:

- 40% reduction in absolute scope 1 and 2 greenhouse gas (GHG) emissions by 2030 (from a 2021 base year)
- Net Zero by 2050: Commit to developing a clearly defined path, aligned to the Science-Based Targets Initiative (SBTi), to achieve net Zero by 2050.

Our progress

Eighteen of our sites are now certified under ISO14001:2015 as single sites in addition to Bega Groups corporate certification. We have continued to implement our Energy Management Capability (EMC) program, which is now in its fifth year. Eleven of our manufacturing sites have completed energy mapping to help identify efficiencies, including energy monitoring and metering installation.

Our performance

In FY2024 our absolute scope 1 and 2 greenhouse gas emissions were 242,283 tonnes of carbon dioxide equivalent, representing a reduction of 18.92% on our baseline year of FY2021 and towards our target of 40% by 2030. Our emissions intensity for scope 1 and 2 greenhouse gas emissions was:

- 0.10876 tCO2e/kL representing a reduction of 18% on our baseline year of FY2021 and towards our target of 50% by 2030 - per litre produced.
- 0.54 tCO2e/t representing a reduction of 16.7% on our baseline year of FY2021 and towards our target of 50% by 2030 - per tonne produced.

Detailed information on our scope 1 and 2 emissions, total emissions and energy consumption by source is provided in the performance data table in Appendix B.

Scope 3 emissions

We first reported on our scope 3 emissions in FY2022, based on FY2021 data, consistent with the Greenhouse Gas Protocol. Scope 3 emissions are the indirect emissions, not included in scope 2, that occur in our value chain. We have not yet adopted a reduction target for our scope 3 emissions and, at this stage, are focused on building better information on these emissions, their sources and measurement. This will become more important as we prepare for mandatory reporting of scope 3 emissions. In FY2022, we commenced an outreach and engagement program with key suppliers collectively representing more than 30% of our non-dairy scope 3 emissions. More than half the suppliers engaged have already adopted an emissions reduction target and are estimating their own scope 3 emissions.

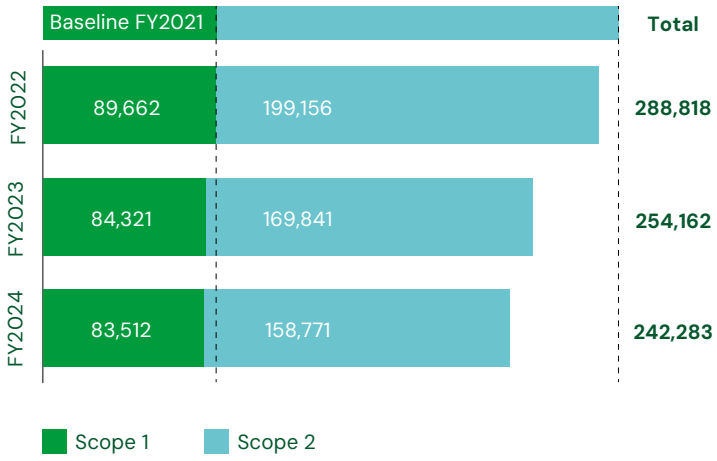
Our initial modelling showed that scope 3 emissions account for more than 90% of our overall emissions and that emissions associated with dairy farming are the largest single source. We have adopted different strategies for investigating scope 3 emissions from milk suppliers, compared to those adopted for the suppliers of other inputs.

Last year, we partnered with the Bega Circular Valley and the Regional Circularity Co-operative Limited, the New South Wales Department of Primary Industries and a group of farmers in the Bega Valley, to better understand on-farm emissions. The project identified that farm data collection and analysis was more challenging than first anticipated, with significant variations in results from different models used.

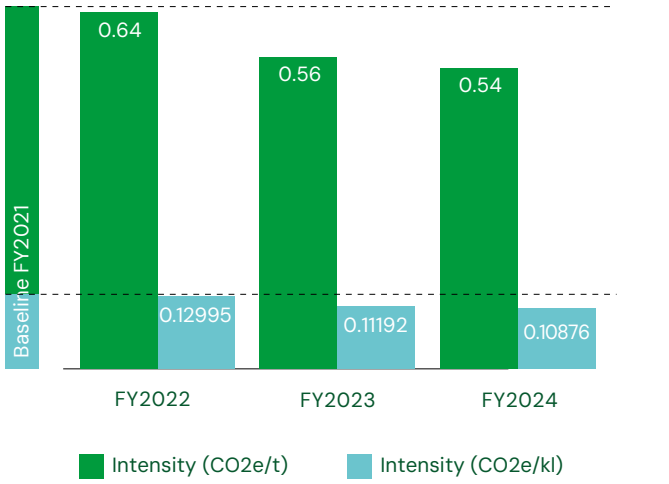
In a separate project with the New South Wales Department of Primary Industries we identified the data inputs that statistically had the greatest impact on both total emissions and emission intensity values. This data has helped to focus our on-farm data collection and understand opportunities to promote on-farm circularity practices that in turn reduce emissions.

Emissions reduction is one of the priority areas we are focussing on as part of our program to support our suppliers to transition to a circular economy. We've made a commitment in our refreshed strategy to support and collaborate with our suppliers to measure and mitigate scope 3 emissions. We implemented an on-farm data collection trial with a number of suppliers from each region late in the year. This data provides us with emission intensity and total emission information, along with key data to support suppliers with reducing emissions and improving broader circularity. In FY2025 we will implement a larger scale trial across our value chain which will be used to test preparation for mandatory reporting, and develop our workplan to support our suppliers to reduce emissions.

Scope 1 and 2 Greenhouse gas emissions (tonnes of CO2e)



Greenhouse gas emissions intensity (tonnes of CO2e)



Case study

BEGA CIRCULAR VALLEY 2030 INITIATIVE

The 'Bega Circular Valley 2030' program is a transformational regional development initiative with a vision to establish the Bega Valley as the most circular regional economy in Australia by 2030.

The Regional Circularity Co-operative (RCC), a not-for-profit, independent entity was established by Bega Group in 2021 to drive this transition. With collaboration at its core, the RCC has garnered strong partnerships with the community, businesses, corporations, academia and government, all working together to demonstrate transition pathways through pilots in the Bega Valley and beyond.

The range of projects and partnerships that the RCC is working on and developing is continuously expanding and, amongst others, includes:

- National Centre for Circularity in Bega: design is almost complete for construction of this $20 million joint NSW Government and Bega Group funded education, tourist information, heritage, hospitality and collaboration centre to showcase circular economy initiatives locally and across the world.
- National Circularity in Fisheries and Aquaculture program: driving circularity in Australia's fishing and aquaculture sectors and harnessing solution providers in partnership with the Fisheries Research and Development Corporation.
- Decarbonisation in grazing sectors – dairy and beef: pilot program baselining and transition pathway analysis of dairy and beef sectors in the Bega Valley, in partnership with NSW Department of Primary Industry.
- Heat exchange and energy optimisation program at factory and farm: partnership with NSW Decarbonisation Hub to monitor and deliver energy efficiency gains in the dairy sector.
- Baselining circularity and opportunity analysis (in development): a one of a kind place-based, whole-of-economy program in Australia that will include comprehensive material flow analysis and identification of transition opportunities.
- Other projects in delivery or development include management of plastics and organics in agriculture, sensorisation of the landscape, natural capital and regenerative, resilient agriculture program, net zero energy strategy, biochar investigations, enterprise stacking and more.

For more information on the Bega Circular Valley program, visit **begacircularvalley.com.au**

Artist rendering of proposed National Circularity Centre design



RESOURCE EFFICIENCY

Minimising waste along our value chain starts with product design and dedicated effort to manage resources throughout the production process. As part of our commitment to circularity, we aim to minimise waste generation, facilitate and promote recycling, and provide consumers with sustainable options, while also seeking innovative approaches to balance consumer needs with responsible production.

We also impact water resources through manufacturing processes and through our agricultural supply chains.

As a food producer, our packaging needs to ensure the safety and integrity of our products. Our decisions in packaging impact on sustainability through potential waste, recyclability, use of recycled content and the exploration of sustainable alternatives to meet consumer demands.

FOR MORE INFORMATION ON BEGA GROUP'S ENVIRONMENTAL POLICY, PACKAGING SUSTAINABILITY POLICY AND APCO REPORT AND ACTION PLAN VISIT:

BEGA GROUP SUSTAINABILITY PUBLICATIONS

FOR MORE INFORMATION ON APCO VISIT:

APCO

Our approach

Our targets for waste reduction, packaging and water efficiency have been reviewed as part of our new sustainability strategy. We will continue to align with national sustainable packaging targets and retain our existing water target to reduce our consumptive water use by 30% by 2030 based on FY2021 water use. Our previous target, set in FY2021, of zero waste to landfill by 2025 will not be achieved. Many of the changes needed to meet this target, including commercially viable options and technologies for the reuse and recycling of certain waste streams, are outside our direct control as a business.

We remain committed to eliminating waste and maximising diversion in our manufacturing processes through continuous improvements in resource efficiency and designing for recovery. We will continue to report annually on our waste generation and rate of diversion from landfill and to advocate for solutions with our industry partners and government agencies.

Our approach to reducing the impact of our packaging is guided by our Bega Group Packaging Sustainability Policy which supports Australia's 2025 National Packaging Targets. As a signatory to the Australian Packaging Covenant Organisation (APCO), we adopt APCO's Sustainable Packaging Guidelines as part of our minimum internal standards and develop an annual APCO Action Plan against which we report our progress.

Our staff participate in industry-wide sustainable packaging efforts, including representation on APCO's Collective Action Group, Flexible Plastics Material Stewardship Committee and Rigid Plastics Material Stewardship Committee. We are also active members of Dairy Australia's Industry Working Group for Sustainable Packaging (IWGSP). Such collaborations are important networks where we can work on whole-of-industry challenges, share ideas and showcase new technologies and solutions.

Our Packaging Sustainability Policy supports the delivery of the National Packaging Targets to 2025, launched in 2018.

APCO's review of progress towards the national sustainable packaging targets launched in 2021 identified significant challenges including insufficient recovery rates, reprocessing at scale, design and supply chain capability. In light of this, we are reviewing our packaging targets and will align them to the new APCO 2030 strategic plan.

Our progress

This year, we developed a water mapping guideline for all our facilities to use and two sites have completed water mapping and mass balance projects to better understand how water is used and recovered in the manufacturing process. This will help us to better identify opportunities for efficiencies, as well as recovery and reuse options.

We also completed the final phase out of our polyvinyl chloride (PVC) packaging and extended the use of both post-consumer recycled polyethylene terephthalate (rPET) and recycled high-density polyethylene (rHDPE).

We progressed our national roll-out to use recycled plastic in our bottles of less than one litre for Dare Iced Coffee, Big M and Dairy Farmers Classic milk-based beverages. The project involves converting these bottles from using virgin HDPE to rPET. We were the first to launch the use of rPET in the dairy industry in Tasmania back in 2021. This year we partnered with two bottle suppliers and invested $14 million to establish in-house production of the bottles at our Wetherill Park site.

We partnered with a national supermarket to introduce clear plastic caps to their own-brand white milk. Coloured plastic caps are a significant contaminant at materials recovery facilities (MRF) and need to be separated during the recycling process.

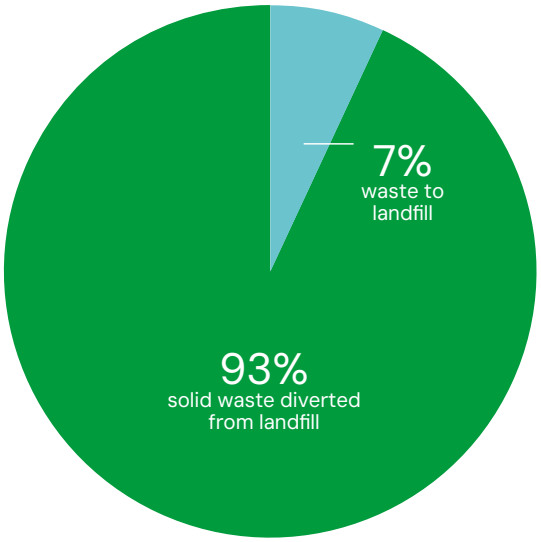
A clear plastic cap is more versatile and increases the quality of recovered plastic. The project means that 180,000kg of plastic can now be more effectively recycled each year. We have also transitioned to clear plastic lids on our yoghurt pouches. This contributes to plastics recovery and represents approximately 75 million lids a year.

Our performance

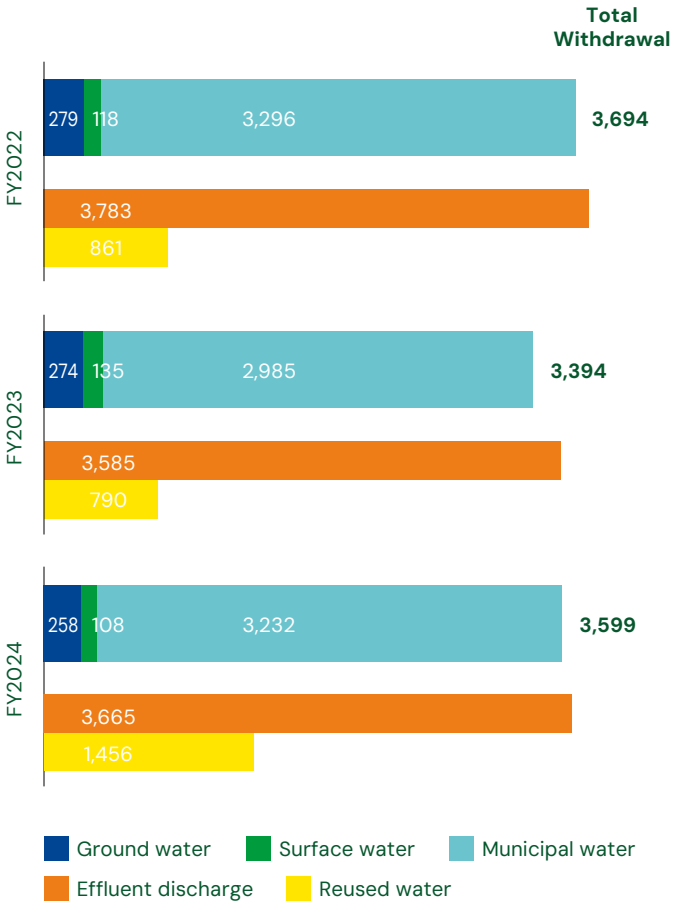
We have maintained a rate of solid waste diversion from landfill of more than 90% and generated less total waste over the past three consecutive financial years. In FY2024, we almost doubled the amount of water reused compared to previous years.

More than 93% of our total packaging was reusable, recyclable, or compostable in the 2023 calendar year (CY 2023) which represents just over a 10% increase since 2021. The recycled content of our packaging remained similar to that of the previous year at over 34%. The capability of our supply chain and the availability of solutions to problematic plastics are ongoing challenges. We used 38,546 tonnes of primary, secondary, and business to business packaging in our production in the 2023 calendar year.

Waste diversion rate



Water withdrawal, reuse and wastewater generation



Indicator	CY2021	CY2022	CY2023
Total weight of packaging (tonnes) used[2]	> 47,000	46,298	38,546
Percentage made from recycled and/or renewable materials (%)	27	34.8	34.1
Percentage that is recyclable, reusable, and/or compostable (%)	82.5	88.7	93.2

[2] Estimated in CY2021

Case study

REDUCING POLYSTYRENE PACKAGING

To support the national sustainable packaging target for packaging materials to be reuseable, recyclable or compostable, we have changed the packaging of key yogurt and cream brands, including market-leading Farmers Union and Dairy Farmers.

In June 2020 a major project was initiated to redesign some of our packaging for yoghurt and cream. At the time, approximately 70% of those tubs were made from a non-recyclable rigid polystyrene. Changing to a polypropylene tub involved simplifying the number and type of tubs across multiple production lines and two sites at Morwell and Chelsea. It was also an opportunity to change the design for consumers and align with initiatives to improve delivery efficiencies and reduce storage space. The project excluded multi-packs.

The project has already reduced our overall use of non-recyclable rigid polystyrene packaging by more than 50% and will keep a significant amount of polystyrene packaging out of landfill. Using PET in the lids of the medium sized tubs also gives us the opportunity to consider the use of rPET in the future, which has been successfully implemented in some of our other product categories.



SAVEFUL PARTNERSHIP



We are a proud sponsor and partner of Saveful, a practical, free app empowering people to reduce food waste by using what they already have in their fridge, freezer and pantry.

As a producer of food, we hate to see any food go to waste. Food represents time, energy and resources for our farmers, who work hard to grow our food. It also represents a significant cost to consumers. On average, every Australian wastes around 312 kilograms of food which can cost up to $2,500 per household per year[3].

By starting with available ingredients, rather than the meal, the Saveful app turns the recipe rulebook on its head. Users can enter one or many ingredients and the Saveful app presents options to create meals or treats using the ingredients they have. The app also provides other handy advice which helps reduce food waste and save money, including use of seasonal produce, storage ideas and tracking of savings of food, money and carbon.

Our newly-designed Farmers Union Yogurt tub also contributes by doubling up as a reusable container to store leftovers in the fridge. Farmers Union joins the mission to minimise food waste by inspiring consumers to reuse their yogurt tubs to store their leftovers and use Farmers Union Greek Style Yogurt to reinvent their leftovers into something delicious.





[3] https://www.dcceew.gov.au/environment/protection/waste/food-waste



COMMUNITY

Making a positive and lasting impact by supporting our people, their families and our communities.

EMPLOYEE WELLBEING AND DIVERSITY

The wellbeing of our people is essential to our business. We aim to provide meaningful and satisfying work, and an environment that promotes healthy living to enhance overall wellbeing through wellness initiatives, career development and work-life balance policies. As a socially responsible business, we also have a role to play in fostering an inclusive and diverse workforce and workplace environment.

Our approach

The vast majority of our workforce is employed in Australia, chiefly in New South Wales and Victoria. Our Code of Conduct, outlines the principles by which all officers and employees of Bega Group are required to abide. The Code covers our reciprocal commitment to fulfil our responsibilities to all employees. The documents comprising our standards of business conduct outline the responsibilities that employees, contractors, consultants and directors have to us, including responsible business conduct in relation to human rights. It outlines our approach to health and safety, fair business practices, discrimination and employee grievance processes. This includes the provision of a whistleblower service provided by an independent third party. Any incidents reported to the whistleblower service are reported to our Risk and Sustainability Board Committee (RSC).

We actively seek diverse talent to ensure sustainable success, prioritising the wellbeing and high performance of all our people across our workplaces. We are committed to closing the gender pay gap, supporting working families, and fostering inclusion, by empowering our people to drive meaningful change.

We recently launched our Bega Respect Statement. The Statement responds to amendments to Australia's anti-discrimination and human rights legislation which require employers to take reasonable and proportionate measures to eliminate discrimination, harassment, and victimisation.

The Bega Respect Statement provides a succinct guide, clearly articulating our expectations for behaviour. We developed the Statement through a collaborative process involving team members from across the company.

We report to the Workplace Gender Equality Agency (WGEA) against the standardised gender equality indicators, in accordance with the requirements under the *Workplace Gender Equality Act 2012* (Cth). Further details on our approach to diversity, equity and inclusion can be found in our Corporate Governance Statement.

Our progress

Building on the Bega Respect at Work Statement, our new Respect Policy applies from FY2025. The policy provides detailed guidance for employees on expected behaviours, responsibilities of leaders, reporting pathways and support.

We have also refreshed our Diversity, Equity and Inclusion Policy and Strategy for FY2025 which shapes our processes and initiatives and details the required commitments from leaders and team members to ingrain diversity, equity and inclusion into our work culture. It provides an overarching framework based on three commitments: closing the gender gap, supporting working families and fostering inclusion across all our operations and sites. We will continue to analyse gender pay equity every 12 months.

We have continued our progress as a signatory to the HESTA 40:40 Vision, an investor-led initiative to achieve gender balance in executive leadership across all ASX300 companies by 2030. Our goals are to reach the 40:40 Vision target of 40% women on our Executive Leadership Team and Board by 2030.

This year we launched the Bega Gender Equity Network (GEN) which is a purpose-driven, voluntary, team member-led group. The GEN's mission is to promote awareness and understanding of gender equity, advocate for gender-equitable policies, processes and behaviours, and provide a networking and professional growth platform for members and supporters. The GEN will empower team members to collectively advocate for gender representation improvements at Bega Group.

We continued to develop our wellbeing program, identifying multiple personal factors affecting wellbeing, including the workplace environment. Informed by the results of a Group-wide health and wellbeing survey, along with consultation groups, the program is being designed to shift the focus from reactive to proactive, by promoting positive health, preventing harm, and intervening early.

The discovery phase of the program is now complete. Phase two the completed design of the program, commenced in 2024, with pilot projects underway.

Our performance

We are proud to have made significant progress against our HESTA 40:40 Vision target. Women comprise 25% of our Board and 34% of our management roles. We submitted our WGEA report for the 12-month period ending 31 March 2024 and have received a notification of compliance.

WELLBEING PROGRAM

PHYSICAL

- Physiotherapy
- Health checks
- Bega nutrition programs

EMOTIONAL

- Personal health and wellbeing coaching
- Flexible working arrangements

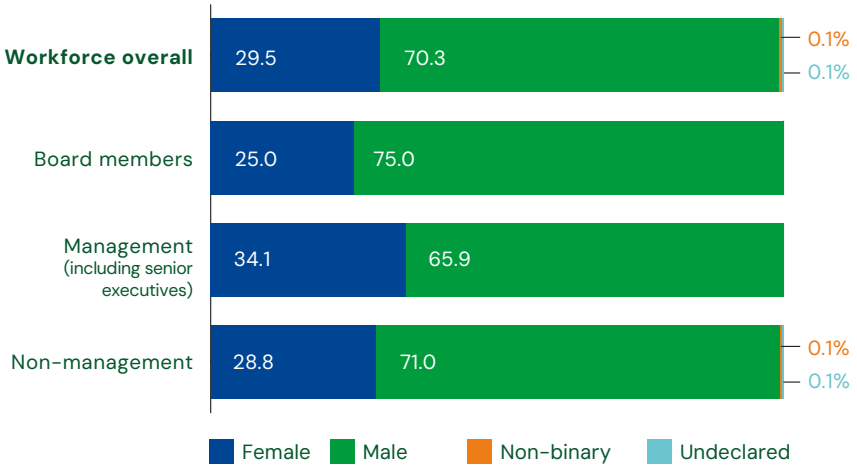
SOCIAL

- Reward and recognition program
- Community outreach and participation
- RUOK Day mental health awareness

FINANCIAL

- Financial advisor services
- Bega Support Fund; support for families experiencing financial hardship due to illness
- Corporate private health plans

Gender representation by category



FOR MORE INFORMATION ON OUR CODE OF CONDUCT, DIVERSITY AND INCLUSION POLICY AND OUR CORPORATE GOVERNANCE STATEMENT VISIT:

BEGA GROUP BUSINESS CONDUCT

FOR MORE INFORMATION ON OUR WORKPLACE GENDER EQUALITY AGENCY REPORT VISIT:

WGEA GOV

RESPECT STATEMENT



AT BEGA, WE RESPECT AND SUPPORT EACH OTHER EVERY DAY.

TOGETHER WE CREATE AN INCLUSIVE CULTURE THAT IS SAFE, RESPECTFUL, AND WELCOMING.

YOU ARE VALUED AND YOUR VOICE MATTERS.



EMPLOYEE HEALTH AND SAFETY

At Bega Group, we prioritise the health and safety of our employees by implementing robust health and safety policies and procedures, providing training and resources, and maintaining safe working environments.

Our approach

We are committed to providing a healthy and safe workplace for all our employees, contractors, and visitors. Guided by our safety principles, safety is our priority.

Our Workplace Health and Safety Statement, updated in September 2023, outlines how we will achieve our safety goals, including building and maintaining a safety culture and defining how incidents are reported and investigated. It applies across all our business operations and functions in Australia and overseas. Responsibility and accountability for safety extends from the Board of Directors to all employees and contractors working at our sites. Improvements to our safety performance is linked to the individual performance objectives and short-term incentive plan of the Executive Chairman, Chief Executive Officer and Chief Financial Officer.

Our Safety Management System, outlined on the following page, supports our compliance with the laws in the jurisdictions in which we operate. It is underpinned by our Safety Principles which include care, recognition and courage, and our Life Saving Rules that apply to critical risks including machine safety, electrical safety and working at height.

Our progress

This year, we have focused on hazard identification and action. By identifying hazards which are present or can be anticipated, we can reduce the causes of injuries before an incident occurs, aligned with our Safety Principle of Prevention. Our operational sites aim to identify an average of three hazards per person over 12 months, allowing us to mitigate risks and take action. WorkSafe Victoria, the State's workplace health and safety regulator, also commenced a proactive engagement program this year to identify and address hazards in the manufacturing sector. The WorkSafe team conducted two visits to our Tatura site and we received strong recognition of our progress on our approach to risk management, safe manual handling, traffic management and workplace behaviours.

Our long-term safety culture transformation continued into its third year. A safety perception survey was completed to inform progress. This was completed with a 60% response rate from employees.

Our performance

Key safety performance data for the past three financial years is presented on page 32. The entities included in the safety data are listed in Appendix B. This year, there were no workplace fatalities and our Total Recordable Injury Frequency Rate (TRIFR) was 17.6 compared to 17.7 in FY2023. There were 20 high-consequence work-related injuries this year. Greater support from our Wellbeing Team on injury management and managing the return to work has meant that a reduced number of injuries are translating into lost time.

No provisional improvement notices or directions to cease work to resolve a health and safety issue in the workplace were received during this financial year.

FOR MORE INFORMATION ON OUR WORKPLACE HEALTH AND SAFETY STATEMENT, THE 8 BEGA SAFETY PRINCIPLES AND 6 LIFE SAVING RULES VISIT:

BEGA GROUP BUSINESS CONDUCT

OUR VALUES AND BEHAVIOURS

VISIT BEGA GROUP VALUES FOR MORE INFORMATION

BEGA GROUP SAFETY POLICY

8 SAFETY PRINCIPLES





6 LIFE SAVING RULES

BEGA GROUP SAFETY MANAGEMENT SYSTEM

Safety system requirements

CRITICAL SAFETY RISKS AND OTHER SAFETY RISKS

Standards	**Procedures**
Implementation tools	**Assessment tools**

SAFE WORKPLACES FOR EVERYONE, EVERYDAY

Bega Group safety performance

Total recordable injury frequency



High consequence work-related injuries





POSITIVE NUTRITION OUTCOMES

We have a role in promoting sustainable behaviours and diets among consumers by offering healthy food and beverages that are produced responsibly. It is imperative for us, as a large food and beverage producer, to understand and deliver to the shift in consumer preferences and values and towards sustainable, ethical, and healthier products.

We know that nutrition is the most important consideration, after taste and price, for consumers when making food and beverage choices[4]. The continuous development of new food products, packaging solutions, and agricultural technologies aimed at meeting consumer demands helps maintain our competitiveness.

We monitor changes in Australia's demographic profile, along with shifts in public health issues, to respond to domestic nutrition challenges and also develop opportunities arising from consumer trends.

The increasing cost-of-living pressures on consumers this year, require us to intensify our efforts to provide affordable nutrition. At the same time, there is growing interest from regulators in health and nutrition of the food supply. This includes potential to reform the Health Star Rating System, which is a front-of-pack labelling system that rates the overall nutritional profile of packaged food and beverages. The Australian Dietary Guidelines (Guidelines) are also under review. The Guidelines support healthy food choices and eating behaviours for all Australians, and the review will likely include advice regarding sustainability and diet, such as environmental impacts[5].

Our approach

We are committed to providing great-tasting products that meet consumer health and nutrition needs throughout life stages. About 80% of Australians consider health and nutrition when making food and drink choices[6]. We focus on four key areas:

- more dairy for older adults - Australians over 71 years of age have only one serve of dairy per day[7]
- better products in the right portions – nine out of ten Australians don't meet their recommended dairy (or alternatives) serves per day while two out of three Australians are overweight or obese
- nutrition for mood and mind – nutrition impacts on mental health which is the leading cause of ill-health in Australians aged 15-44 years[8]
- sustainable nutrition – our changing population means up to 44%[9] of Australians are at risk of lactose intolerance.

We are committed to communicating nutrition information to help consumers make informed and healthy choices. We are also committed to the Australian Association of National Advertisers (AANA) Food and Beverages Advertising Code (the Code) which regulates food and beverage advertising in Australia. Our marketing team is trained annually in the requirements of the Code and our legal and regulatory teams monitor and review implementation.

FOR MORE INFORMATION ON AUSTRALIA'S HEALTH STAR RATING SYSTEM VISIT:

HEALTH STAR RATING

FOR MORE INFORMATION ON AUSTRALIA'S DIETARY GUIDELINES VISIT:

EAT FOR HEALTH GUIDELINES

[4] Food Standards Australia New Zealand. 2023 Consumer Insights (foodstandards.gov.au)

[5] https://www.nhmrc.gov.au/health-advice/nutrition/australian-dietary-guidelines-review/about-the-review

[6] New Nutrition Business. Consumer Briefing 2023. From protein to carbs, mood & mind to nutrient density: a 5 country survey of food & health beliefs and behaviour.

[7] Australian Health Survey: Consumption of Food Groups From the Australian Dietary Guidelines, 2011-12. Australian Bureau of Statistics [updated 2016; cited 2024]. (https://www.abs.gov.au/ausstats/abs@.nsf/mf/4364.0.55.012)

[8] AIHW. Australian Burden of Disease Study 2023. Last Updated dec 2023 – cited 2024. https://www.aihw.gov.au/reports/burden-of-disease/australian-burden-of-disease-study-2023/contents/key-findings

[9] Storhaug, et al (2017). Country, regional and global estimates for lactose malabsorption in adults: a systematic review and meta-analysis. The Lancet Gastroenterology & Hepatology. 2(10): 738-746

Our progress

In our FY2023 Sustainability Report, we highlighted our work with Deakin University Food and Mood Centre, funding a clinical trial and investigation of the possible benefits of fermented probiotic dairy on the gut brain axis. The project compares our Farmers Union Greek Style Yogurt with a non-fermented control product. The trial is now complete, and we look forward to sharing results with its scientific publication in the very near future.

We have continued to expand lactose-free options across our branded product ranges in white milk and flavoured milk, including Pura, Dairy Farmers, Dairy Farmers Classic, Dare and Big M. In April, we launched Dare Oat Milk in mocha and double espresso flavours, which further broadens the Dare range with plant-based options for consumers seeking lactose-free or vegan products.

Our branded products continue to be recognised by Australia's Healthy Food Guide Awards, receiving 13 awards in the past year in categories including plant-based, heart health, diabetes-friendly and lunchbox awards.

We support the health and wellbeing of our employees via a dedicated wellness portal on our intranet. Our nutrition team shared regular, practical nutrition education posts under the banner of 'Nutrition to Live Well' that were viewed 8723 times, an increase of 94% on FY2023.

We celebrated National Nutrition Week with another series of posts and a budget-friendly recipe competition. Seventeen of our sites participated in the competition.

This year we withdrew from the marketing of infant formula in Australia and no longer participate in the Marketing in Australia of Infant Formulas: Manufacturers and Importers (MAIF) Agreement.

Our performance

This is the last year that we will report our performance against our previous health and nutrition targets. These targets reflect commitments made prior to the acquisition of the Lion Dairy and Drinks business in January 2021 and have been reviewed as part of the updated strategy. We will confirm further nutrition commitments in FY2025. We continue to focus on improving the overall nutrition delivery of our portfolio to meet consumer desire and public health needs, and will use our internal nutrition criteria, which account for nutrients such as sugar and salt, and portion size, along with the Health Star Rating, to guide and track our performance.

We currently provide over 81 million more single serves in the right portion size on an annual basis, compared to FY2020. Our target by FY2025 is 100 million more than FY2020 for Bega Group branded consumer products. We have reviewed and updated our nutrition criteria for "best and good" to reflect Bega Group and the latest nutrition and public health guidelines in Australia and internationally. Our benchmark for "best and good" is now higher and harder to achieve. We have also brought all our Bega Group products together into one reporting set. As a result, just over 70% of Bega Group branded consumer products meet our new tougher "best and good" criteria compared with our target of 85% by 2025. Health Star Ratings now appear on over 97% of the labels of our milk, milk beverages, yoghurt, drinks and peanut butter products. Up to 58% of our Bega Group branded consumer product revenue in FY2024 was from products labelled or marketed to promote health and nutrition attributes and 53% of our consumer product revenue was from products with a Health Star Rating of 3.5 stars or above. We did not receive any complaints of non-compliance with industry or regulatory labelling or marketing codes in FY2024.



100 YEARS OF VEGEMITE – AND YEARS OF B VITAMINS TO AUSTRALIANS' VITALITY!

This year we celebrated the 100-year anniversary of our iconic spread – Vegemite.

When Britain's Marmite was in short supply during and after World War 1, Australia needed a nutritious and tasty alternative. Vegemite was originally developed through trial and error, using leftover brewer's yeast.

Vegemite is known as a rich source of B vitamins. This year, independent research recognised the positive contribution yeast-based spreads, like Vegemite, make to the diet. The study, by the University of Newcastle, found that in the highest consumers[10] of Vegemite, and other yeast spreads, this contributed 30-68% of recommended daily intake (RDI) of B vitamins and less than 15% of sodium intake RDI. Even in the lowest yeast spread consumers, it contributed 7-30% of B vitamins (RDI). Overall, the study found that people who consumed yeast spreads were more likely to meet their RDI of B vitamins compared to those who don't.





Robert Carman worked at our Vegemite factory for more than 50 years. After starting as an apprentice fitter and turner, he became the facility manager. Rob retired this year.

[10] Highest consumers had more than one, 5g serve of yeast spread a day. (Whatnall M et al. J Hum Nutr Diet. 2023 Oct 18;37(1):292–307)

COMMUNITY ENGAGEMENT AND AWARENESS

We support initiatives and investments that aim to empower communities where we operate, including philanthropic efforts, community development projects, and partnerships with local organisations. We do this through a variety of programs. Some of these initiatives are driven from a corporate-wide or whole-of-business perspective. Other initiatives are determined by staff at our sites who have connections with local communities and a deeper understanding of specific community needs. We are committed to supporting our communities to drive meaningful and lasting impacts through purposeful engagement and partnerships.





Foodbank

Our vision, to become The Great Australian Food Company recognises our unique role to feed people. We are now Foodbank's fifth-largest donation partner. Our support allows Foodbank to help 2,844 frontline charities and 3,379 school breakfast programs, providing the equivalent of more than 86.7 million meals per year to those in need. In FY2024, we donated more than 996,000 kilograms of products, equating to nearly 1.7 million meals for Australians in need. This includes our annual commitment to schedule and produce 230,000 litres of fresh white milk for Foodbank's National Collaborative Supply Program, which helps improve certainty in their supply chain. In a single day of volunteering with Foodbank our staff packed 136 hampers of produce and pantry staples, to provide more than 28,000 meals for families in need.

This year, we also partnered with Foodbank, Bobbins Transport and the Sapphire Community Pantry (the Pantry) to facilitate the supply of cold food and drink products to people in need in the Bega Valley. Like many communities, the Bega Valley has been impacted by recent increases in the cost of living and demand at the Pantry has increased by more than 50% in the past year. As a result of this project, coordinated by team members from across Bega Group, the Pantry can now provide milk, butter, yoghurt and cheese.





Fundraising and corporate sponsorship



The Tatura 200 Charity Bike Ride and Walk is affectionately known as the TAT200. Initiated by Bega Group subsidiary Tatura Milk Industries Pty Ltd, it aims to extend our community support beyond traditional stakeholders. Participants come together to ride or walk a variety of distances, with the most ambitious being the 200 kilometre bike ride. This year marked the fourteenth TAT200, after the event had a long-awaited return in 2023 following the pandemic. This year, we raised more than $86,000 and, since the event's inception in 2008, the TAT200 has raised over $1,000,000 for local charities, organisations and community groups across the Goulburn Valley. We also raised $100,000 at our Corporate Event this year which was donated to Eden Community Access Centre, on behalf of Bega Showground Land Managers, for the fit-out to the new emergency evacuation centre in Bega.





Local initiatives

We partner with the communities on which we depend through multiple initiatives in our manufacturing and our supply chains. In December 2023, staff from across the business partnered with the Port Phillip Community Group to provide food staples for local people facing hardship. The team packed 400 Christmas food hampers which included some of our flagship products ranging from Vegemite and Bega Peanut Butter to B Honey, Just Juice Poppers and Dairy Farmer's long-life milk.





COLLABORATION



COLLABORATION

Working together with our producers and customers to enable sustainable practices, grow domestic economies and deliver great Australian products that people love and trust.

QUALITY SUSTAINABLE PRODUCTS

We focus on the quality of our products and aim to exceed customer and consumer expectations by continuous improvement and adhering to regulations and recognised industry standards. We are committed to delivering value to our consumers through our high-quality products and supporting sustainable activities across our value chain. The safety, integrity, and nutritional quality of our food products is of primary importance to our business. We protect consumer health and trust in our brands by implementing rigorous food safety management systems, conducting quality assurance testing, and maintaining transparency and traceability throughout our supply chain.

Our approach

Our Food Safety and Quality Policy outlines our commitment to supplying quality, safe and consistent products, authentic to design and compliant with legal requirements. It underpins our Food Safety and Quality Management System which is a continuous improvement process. The policy applies to all our manufacturing sites and the same principles are applied to third party manufacturers making products on our behalf.

We aim to maintain certifications of the Bega manufacturing facilities to food safety schemes which are recognised by the Global Food Safety Initiative (GFSI), either under the British Retail Consortium (BRC) Global Standards or Food Safety System Certification (FSSC) 22000 Global Standards. We will consolidate our approach to certifications into BRC in the coming two financial years.

Our progress

We continue to prioritise food safety and quality of our products. Changes in our supply chain arising from events such as extreme weather, seasonal availability, or geopolitical change, mean that new suppliers and new risks from geographical regions often need to be assessed quickly, while maintaining our high standards of food safety compliance and quality. We constantly monitor product category risks and incidents across the world to inform, and allow us to assess, potential new supplies within timeframes that are required to meet our operational needs. For this we use globally recognised certifications in conjunction with our own physical inspections where required.

We rolled out an improved incident management system for food safety, quality and environment across the Group this year. This system allows all our team members to register, manage and correct any non-conformances and opportunities for improvement. We engage directly with our material or product suppliers and all internal and external inspections and audit, and their corrective actions, are all managed in the one system.

Our performance

In FY2024, 100% of our manufacturing sites were certified to GFSI-recognised certifications. We recorded one major non-conformance and 86 minor non-conformances against GFSI audits of our manufacturing sites. We resolved all within the required period. We completed 63 audits for food safety of our suppliers and sourced approximately 91% of our ingredients from tier 1 suppliers certified to a GFSI food safety certification program. There were no product recalls for food safety or notices of food safety violations this year.

Food safety and quality performance data

Food safety metric	FY2022	FY2023	FY2024
Number of food safety audits of Bega Group	187	162	122
Number of food safety audit days of Bega Group	264	221	195
Number of Bega Group sites audited for food safety	20	20	18
Food safety recalls issued by Bega Group	0	1	0
Incidents of non-compliance with food safety regulations or voluntary codes by Bega Group	0	0	0
% of Bega Group manufacturing sites certified to GFSI recognised certifications	100	100	100
% of ingredients sourced from tier 1 suppliers certified to a GSFI recognised certification	93	76	91

FOR MORE INFORMATION ON OUR FOOD SAFETY AND QUALITY POLICY VISIT:

BEGA GROUP BUSINESS CONDUCT



RESPONSIBLE AND ETHICAL PROCUREMENT

We seek to build trust and meet stakeholder expectations in the ethical sourcing of our raw materials by focusing on transparency, traceability and responsibility.



Most of our supply chain expenditure occurs in Australia. We also rely on some commodities which we source offshore for our range of food and beverage brands.

Our approach

We are committed to delivering the highest standards of business conduct and ethics, as set out in our Code of Conduct. The Code outlines requirements with which suppliers must comply including child labour and forced labour, working hours, safety and health, wage and benefits, non-discrimination, harassment and abuse, and disciplinary practices. Our Ethical Sourcing Policy outlines the standards to be met by suppliers of goods and services to Bega Group and the obligations of our staff to work with our suppliers to meet those standards. Our Supplier Responsible Sourcing Code provides greater details of the minimum standards we expect of suppliers and includes a focus on human rights. The policy and our supply contracts require suppliers to use the Supplier Ethical Data Exchange (SEDEX) to share information and to complete an annual ethical sourcing self-assessment questionnaire (SAQ). We reserve the right to require an independent audit of suppliers, particularly those considered to be medium to high risk. Suppliers are classified for risk through a combination of the SEDEX methodology and a risk weighting matrix we apply to vendors as part of the onboarding process. We also conduct quarterly business reviews with our major suppliers.

We are committed to protecting and advancing human rights. We prepare an annual Modern Slavery Statement in accordance with the *Modern Slavery Act 2018* (Cth). Our internal Modern Slavery Working Group oversees the implementation of our Modern Slavery Action Plan and regularly reports progress to the Risk and Sustainability Committee.

FOR MORE INFORMATION ON OUR ETHICAL SOURCING POLICY, OUR RESPONSIBLE SOURCING CODE AND OUR MODERN SLAVERY STATEMENT, VISIT:

BEGA GROUP BUSINESS CONDUCT

Our progress

An independent risk assessment was completed in the reporting period to inform the ongoing evolution of our work in combating modern slavery. The assessment identified high risk ingredients including coffee, cocoa, peanuts and fruit. As known risks in our supply chain, these remain areas of focus, with policy positions on our sourcing of cocoa and coffee currently under development. During the same independent review, our internal Modern Slavery Working Group has now developed and implemented a remediation process to address any incidents of modern slavery breaches occurring within the Group's supply chain.

We actively participate in the Australian Dairy Sustainability Framework's Human Rights Working Group which is conducting a review of the dairy supply chain to identify and assess human rights risks. A third party has been commissioned to support this work and to provide an independent assessment of the potential human rights risks in the Australian dairy industry. The working group includes representatives from the Australian Dairy Products Federation, Australian Dairy Farmers, Dairy Australia and dairy companies. It will also develop action plans to address risks, showcase best practices by dairy businesses and track industry performance against the national commitments. Our ongoing approach to human rights will be informed by this work.

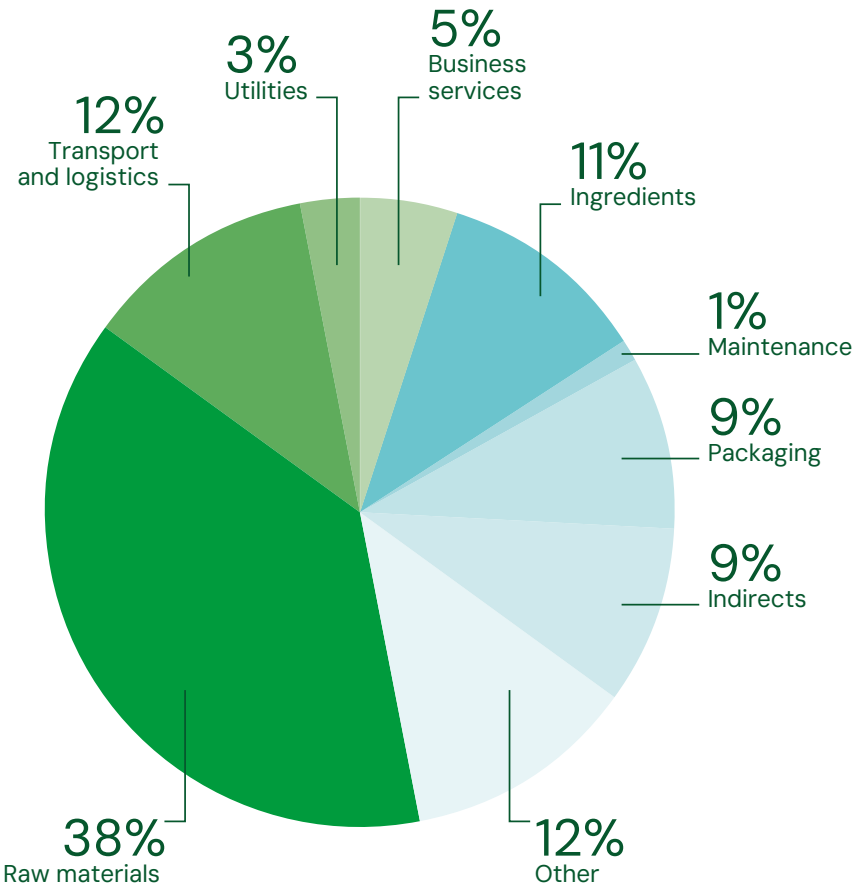
Our performance

In FY2024 all high-risk suppliers which Bega Group onboarded were required to register for SEDEX or an equivalent data exchange platform. No business-critical findings were noted during audits of our suppliers this year.

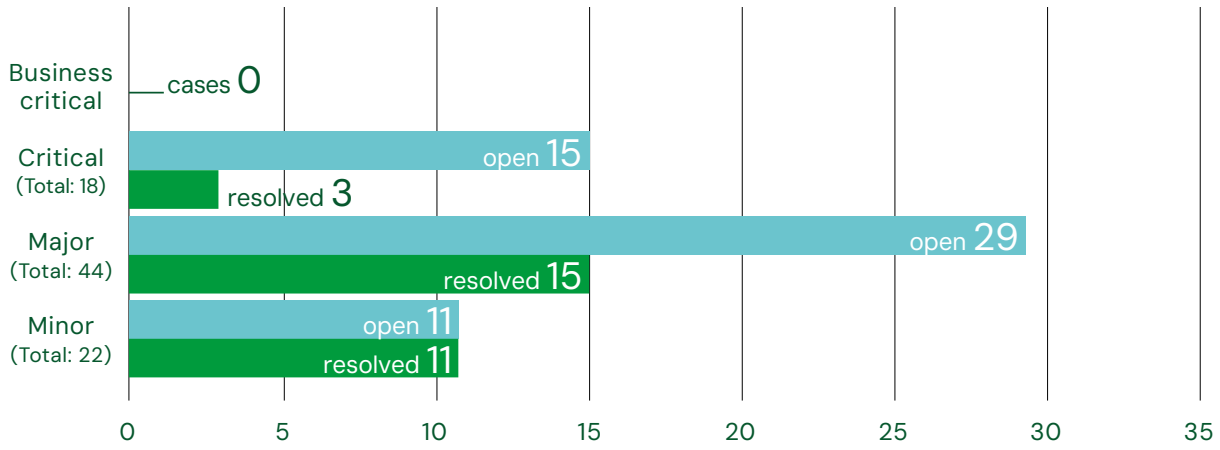
As part of our own participation in SEDEX, and to provide assurance to customers, we also undergo third party SMETA audits at selected sites every two years. Since FY2022, we have completed audits at: Vegemite Way, Bentley, Tatura, Lagoon Street, Ridge Street, Salisbury, Lenah Valley, Strathmerton, Malanda, Morwell, Kingaroy and Koroit.



Supply chain expenditure by category[11]

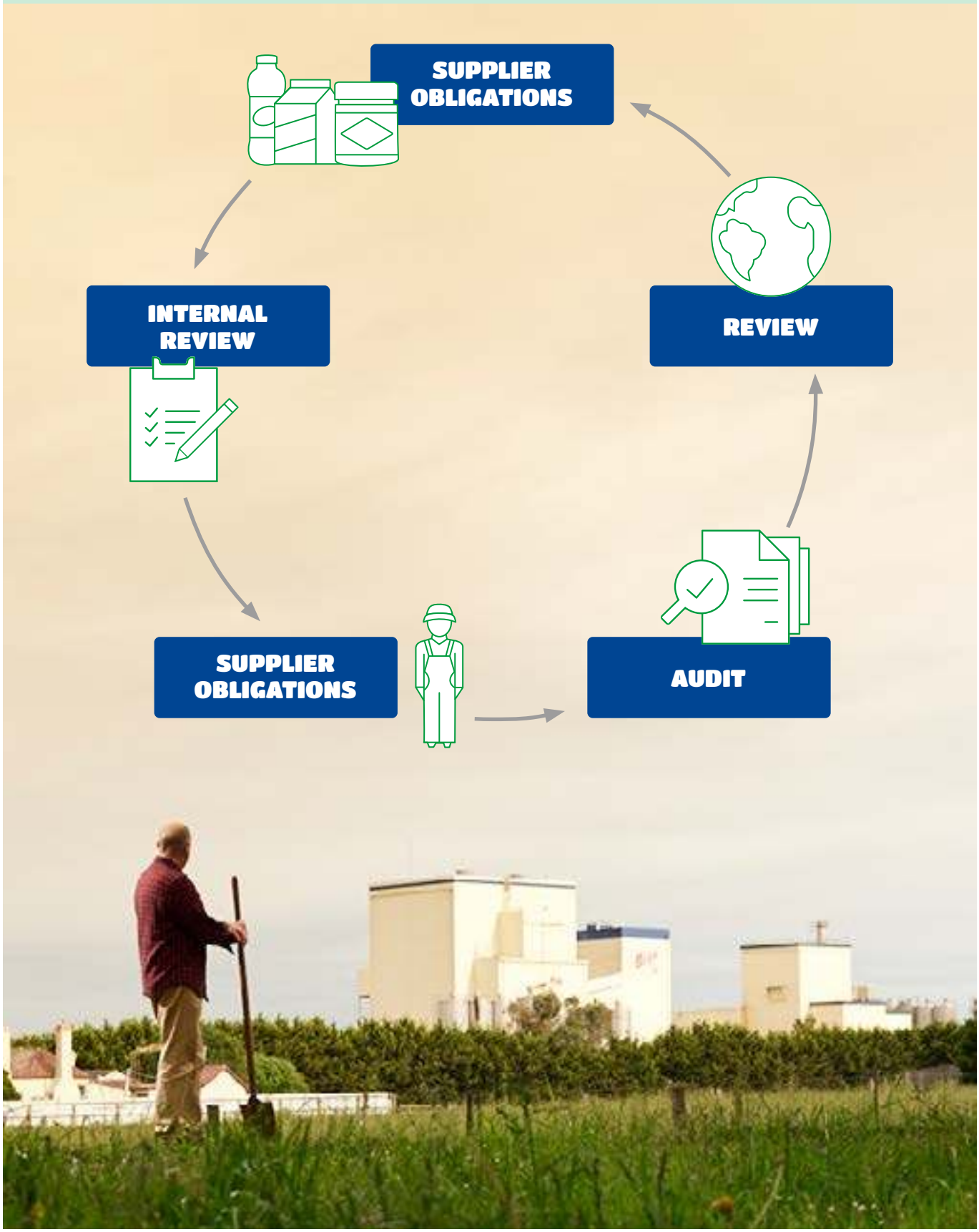


Supplier audit non-conformance outcomes



[11] Imported peanuts are included in ingredients while domestic peanuts are included in raw materials

Bega Group supply chain due diligence



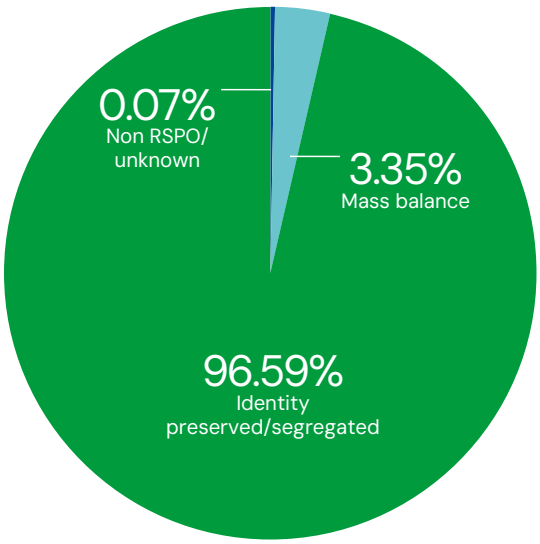
We acknowledge that our procurement of some commodities, specifically palm oil and coffee, represents risks in the form of deforestation and potential human rights breaches. Protecting forests and preventing land conversion is critical to maintaining biodiversity and mitigating climate change. We are committed to procuring responsibly through accredited sources.

Palm oil

We have adopted the Roundtable on Responsible Palm Oil (RSPO) as our standard for the certification of palm oil. We strive for 100% of the palm oil used in Bega branded and manufactured products to be RSPO Certified Sustainable Palm Oil (CSPO). Our new Sustainable Palm Oil Sourcing Policy requires our suppliers to supply CSPO products, with a preference for segregated and identity-preserved model materials, and provide validation consistent with RSPO standards.

This year 99.93% of our total palm oil purchased by weight was sourced from either segregated or identity-preserved sources.

RSPO certified palm oil procured by weight

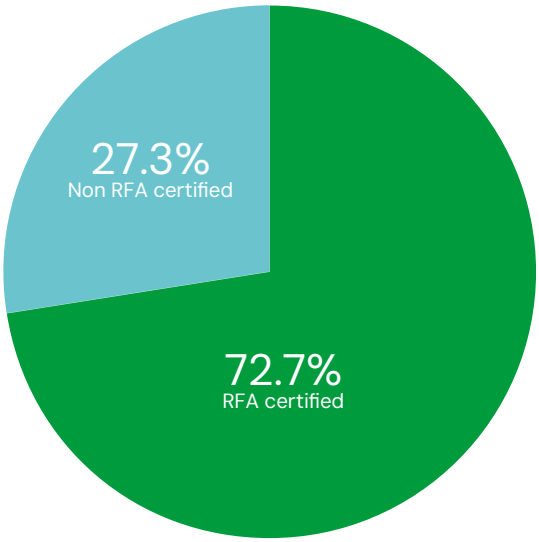


Coffee

We identified coffee as a commodity of high risk and moved to purchasing certified coffee powder for our flagship brand – Dare Iced Coffee – two years ago. All our sites making Dare Iced Coffee have now achieved certification under the Rainforest Alliance Standard. The Rainforest Alliance is an international non-profit organisation working in more than 70 countries, specifically with cooperatives of smallholder coffee farms. Sourcing coffee from Rainforest Alliance Certified Farms helps farmers follow more sustainable farming practices that protect forests, improve their livelihoods, promote human rights of farm workers, and help them mitigate and adapt to climate change.

Of the total coffee powder by weight sourced by Bega Group in FY2024, 72.7% was certified under the Rainforest Alliance Standard. This has increased from 13% in FY2022. This excludes coffee powders pre-mixed by suppliers for Dare Iced Coffee which has also been certified as part of chain of custody requirements.

RFA certified coffee procured by weight



FOR MORE INFORMATION ON OUR SUSTAINABLE PALM OIL SOURCING POLICY VISIT:

BEGA GROUP BUSINESS CONDUCT

NATURAL RESOURCE MANAGEMENT

Our business depends on the health of our land and natural ecosystems. Working with our farmers on best practices in sustainable agriculture while maintaining livelihoods is important to the future of business.

FOR MORE INFORMATION ON OUR FARM MILK SUPPLY AGREEMENTS VISIT:

BEGA GROUP FARM SERVICES MILK SUPPLY AGREEMENTS



Our approach

We are committed to contributing to a thriving dairy industry whilst supporting the evolution of practices that improve our natural ecosystems. We are required, by the Dairy Industry Code of Conduct, to use standard form agreements for all contracts entered into with dairy farmer suppliers. Our farm milk supply agreements outline the terms and conditions upon which our milk suppliers sell milk to us and our responsibilities, as a purchaser, to them. They include requirements relating to food safety and quality, as well as environmental compliance including effluent management, animal welfare and occupational health and safety. We recommend farmers focus on compliance activities such as effluent management prior to contemplating other capital works such as solar installations.

Our progress

The Better Farms Program commenced in 2018 and up to FY2024 has provided our dairy farmers with grants for three areas of activity:

1. Development and training - to enable dairy farmers to undertake training to advance their knowledge.
2. Services support - to help dairy farmers seek professional assistance and advice. Contemporary dairy farming is a challenging business, and it is crucial that our farmers have access to specialist advice.
3. Capital projects - to assist dairy farmers with infrastructure to improve efficiency and sustainability of their farm. This can be applied to a broad range of projects, for example water efficiency to upgrading of calf sheds.

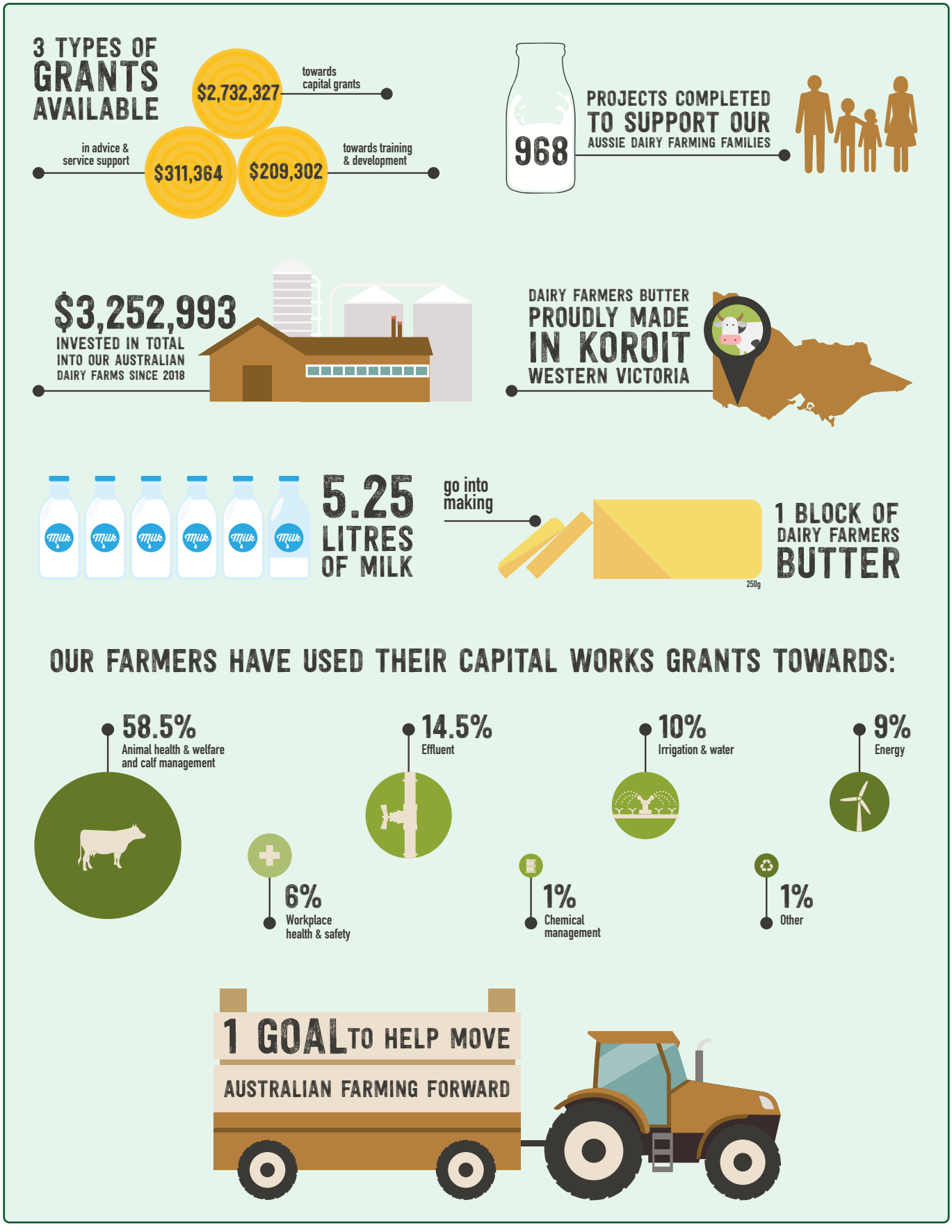
Our performance

From April 2018 to June 2024, the Group has invested $3.3 million in grant support across all milk supply regions, including funding of projects in soil and nutrient, effluent, irrigation and chemical management.

While the Better Farms Program has served Bega Group and our farmers well to date, we are reviewing data on sustainable agriculture practices to better serve the needs of our farmers and the land we depend upon. A revised Better Farms Program will include initiatives to support our dairy farmers in the transition to a low carbon economy and how the learnings from our work in the Bega Circular Valley project may be adopted more broadly.

BETTER FARMS PROGRAM GRANTS

April 2018 to June 2024



WORKING WITH FARMERS TO SUPPORT WILDLIFE IN THE BEGA VALLEY

The Bega Valley supports a diverse range of wildlife species and serves as an important movement pathway for animals. We are committed to supporting on-farm ecological and biodiversity protection and enhancements. Bega Group, and the Regional Circularity Co-operative, have partnered with the Great Eastern Ranges (GER) and WIRES to boost biodiversity and connectivity in the Valley.

The Great Eastern Ranges works with partners across eastern Australia to connect, protect and regenerate nature by bringing together more than 250 environmental non-profits, Landcare and community groups, government agencies, First Nations organisations and research partners. WIRES is Australia's largest wildlife rescue organisation. It has been rescuing and caring for sick, injured and orphaned native animals for over 35 years.

Over the last two years, the Bega Group has been working with GER to boost biodiversity and connectivity in the Bega Valley as part of Glideways, Flyways and Stepping Stones. A project supported by WIRES to assist animals still recovering from the devastating 2019-2020 bushfires across southeast Australia.

The project has created 102ha of biodiversity corridors on private land. It has involved establishing 32km of fencing and planting 22,300 native trees across nine properties in the Bega Valley. The project has targeted the habitat of key species including the powerful owl, koala, yellow bellied glider, sugar glider and glossy black cockatoo.

Great Eastern Ranges in partnership with WIRES has provided valuable funding and technical expertise for this project. Together with the Regional Circularity Co-operative, we have drawn on our relationships with landholders and local land rehabilitation specialists to coordinate the on-ground works.



ANIMAL WELFARE

Our customers expect that, as a producer of animal-derived products, milk is humanely collected from healthy cows and that we implement animal welfare standards throughout our supply chain.

Our approach

Our standard farm milk supply agreements outline the basic legal obligations of farmers regarding farm animal welfare. Our Farm Quality Assurance Manual details our standards, including requirements for livestock health, mastitis and welfare as well as the use of antibiotics. This includes requirements of our farmers to:

- Comply with the Australian Code of Practice for the Welfare of Animals – Cattle, which stipulates minimum animal welfare standards for cattle production
- provide training in the appropriate and humane treatment of livestock to staff
- ensure that all veterinary medicines are suitable for use on dairy farms and registered by the Australian Pesticide and Veterinary Medicines Authority (APVMA) or National Registration Authority (NRA).

We screen all milk at factory receival for the presence of antibiotics and farmers are expected to maintain treatment records.

Our dairy suppliers are also expected to comply with the Livestock Production Assurance Program, which includes the National Livestock Identification System (NLIS) of electronic tags to improve stock traceability, adherence to the Australian Animal Welfare Standards, and written biosecurity plans for each Property Identification Code (PIC) owned by the supplier.

Biosecurity hazards can have a significant impact on Bega Group through supply limitations and reduced access to global markets. We expect that our suppliers will ensure that milk is only supplied from healthy cows. Animals showing signs of infectious diseases transferable to humans through milk must be identified, segregated and their milk withheld from supply. The animals must be assessed by a veterinarian or animal health officer. Where it is suspected that the cause of a sudden death of livestock is from a significant disease, suppliers are to notify the relevant government agencies and their Bega Group milk supply officer immediately. Dairy Australia provides the industry with information on minimising exposure and spread of disease.

We continue to support the Australian Dairy Industry Sustainability Framework, which aims for 100% compliance with legislated Australian Animal Welfare Standards and 100% uptake of relevant recommended practices, including no tail docking or calving induction, and the use of pain relief in specific husbandry practices.

Our progress

Our milk supply officers implement a checklist relating to on-farm compliance areas including animal welfare. Farms that are eligible under our Better Farms Program can obtain grants to further improve their animal welfare compliance systems and processes.

Better Farms Program funds have also been directed to supporting suppliers with installing back-up generators on farm to enable milking during power outages associated with extreme weather events. Delays in milking, which can be because of power outages can present significant animal welfare challenges on farm. This year, we co-funded 18 generators.

We have participated in the Australian Dairy Surplus Calf Roadmap, which is an initiative of Dairy Australia and Australian Dairy Farmers. We support the dairy industry position that all surplus dairy calves can enter a value market chain by 2035 and that responsible breeding and handling strategies become widespread. Our Better Farms Program funding has also been directed to help suppliers expand their calf rearing facilities to rear surplus calves on farm.

Our performance

Nearly half of the grant funding allocated for farm improvements under our Better Farms Program is for animal health and welfare outcomes. This year, we allocated more than $300,000 to capital works projects ranging from upgrades to calf rearing facilities and stock handling to cow health monitoring and hoof health prevention. Farmers co-contributed more than $1.5 million to these initiatives.

FOR MORE INFORMATION ON OUR APPROACH TO ANIMAL WELFARE VISIT THE ON FARM QUALITY ASSURANCE MANUALS FOR EACH OF OUR FARM MILK SUPPLY AGREEMENTS ON OUR WEBSITE.

BEGA GROUP FARM SERVICES MILK SUPPLY AGREEMENTS

CLIMATE CHANGE

Our business activities generate greenhouse gas emissions, both directly in manufacturing and through our value chain. Our business is also impacted by climate change itself and the risks and opportunities it presents, including extreme weather events and the transition to a low carbon economy. We are committed to integrating mitigation, adaptation and resilience strategies to effectively manage and report on climate risk.



Preparing for mandatory climate-related financial disclosures

The Group is preparing for new laws regarding climate-related financial disclosures, which are mandatory in Australia beginning 1 January 2025. The Australian Sustainability Reporting Standard - AASB S2 Climate-related Disclosures - is essentially based on the global standard - IFRS S2 Climate-related Disclosures - issued by the International Sustainability Standards Board.

This year, the Group finalised a gap assessment against the requirements and obligations of the exposure draft Australian standards: ASRS 1 General Requirements for Disclosure of Climate-related Financial Information, ASRS 2 Climate-related Financial Disclosures and ASRS 101 References in Australian Sustainability Reporting Standards. As a result, it has developed a roadmap, building on the work to date, and closing gaps to enable compliance and continuous improvement in climate-related financial disclosure.

The Group has been publicly reporting on scope 1 and 2 greenhouse gas emissions since FY2015 and set targets for reduction of scope 1 and 2 emissions in FY2021. Scope 3 emissions were first reported in FY2022, and work has continued to improve the accuracy and integrity of this data and how emissions may be reduced. The Group reviewed its approach to managing the effects of climate change and its impact through the existing risk framework introduced in FY2022 and included climate change as a key strategic risk in the Review of Financial Performance and Operations in the FY2023 Annual Report.

GOVERNANCE



Our Board Charter requires our Board to consider the social, ethical and environmental impact of our activities and operations, and to set standards and monitor what we do and the extent to which we comply with our social responsibilities. Our Board, as at 30 June 2024, consists of seven directors. Details of each director's period of office, skills, experience, expertise and their other current directorships, can be found on our website and on pages 35 and 36 of our 2024 Annual Report. The roles and responsibilities of the Board and Board Committees are defined in the Board Charter and the written charters of the various committees. Our Nomination, Remuneration and People & Capability Committee (NRPCC) makes recommendations to the Board on changes to the composition of the Board so that it can operate effectively and efficiently and adequately discharge its responsibilities and duties. The Board's competencies to manage the impact of the business on the environment and community are outlined in our Corporate Governance Statement on our website.

SUSTAINABILITY OVERSIGHT

Our Risk and Sustainability Committee (RSC) is responsible for our approach to sustainability. The RSC Charter is available on our website. The RSC is appointed by the Board and consists of a majority of independent directors, only non-executive directors, an independent Chair and has a minimum of three members. The RSC is chaired by Peter Margin an independent director and Deputy Chairman. The RSC has oversight of the adequacy and effectiveness of the Company's sustainability framework including a consideration of our material exposure to environmental or social risks. The RSC met four times during FY2024. The work of the RSC is supported by other Board Committees which also provide reports regarding material risks, including the NRPCC regarding decisions on executive variable pay outcomes and the Milk Services Committee regarding farm-related impacts.

Our internal Sustainability Steering Group (SSG) met four times during FY2024 and provides regular updates to the RSC.

We outline our approach to remuneration in the NRPCC Charter and the Remuneration Report section of in the 2024 Annual Report. The Chairman, Chief Executive Officer and Chief Financial Officer are expected to be role models for safety, quality, and the environment. The FY2024 Short-Term Incentive (STI) Plan was partially achieved for the Executive Chairman, the Chief Executive Officer and the Chief Financial Officer. These outcomes are as a result of the Group EBITDA metrics being partially achieved, free cash flow metrics being achieved, safety metrics not being achieved, together with the individual assessed partial achievement of personal objectives under the FY2024 STI Plan. Refer the FY2024 Annual Report for further details.

Remuneration of Key Management Personnel is reviewed annually by the Board. Shareholders are asked to vote on the adoption of the Remuneration Report at the Annual General Meeting, and we publish the result of that vote on our website.

Further information on our approach to corporate governance is outlined in our Corporate Governance Statement, which responds to the ASX Corporate Governance Principles and Recommendations (4th edition). It should be read alongside the 2024 Annual Report.

COMPLIANCE AND ETHICAL BUSINESS

Our Code of Conduct guides us on how to make sound decisions and illustrates proper actions for conducting our business. Our Code promotes a shared understanding of what achieving the right results the right way means. By knowing and following our Code, each of us does our part to maintain and further build trust with our various stakeholders—including our colleagues, customers, business partners, shareholders, and communities.

Bega Group is subject to environmental regulation in Australia, including the *National Greenhouse and Energy Reporting Act 2007* (Cth) and national environment protection measures. Some of our sites report to the Commonwealth Government's National Pollutant Inventory (NPI) on emissions to air, with this information made publicly available on the NPI website.

Our operating sites are also subject to state legislation, regulations and licence conditions including, the *Environmental Management and Pollution Control Act 1994* (Tas), *Environment Protection Act 1993* (SA), *Environment Protection Act 2017* (Vic), *the Protection of the Environment Operations Act 1997* (NSW), *Environmental Protection Act 1986* (WA) *and the Environmental Protection Act 1994* (Qld).

Monitoring reports associated with licence conditions and requirements are available from our website. In FY2024, we reported compliance activities to environmental regulators and water authorities with no financial penalties for non-compliance reported. We have successfully resolved most notifications with the appropriate regulator, with the following specifically reported:

- An advisory letter was issued to the Penrith site regarding odour. Actions presented to the regulator have been fully implemented.
- Two events for exceeding solid particle limits at the Lagoon Street site were reported to the EPA. Corrective actions have been implemented.
- Eight wastewater breaches were reported against waste trade agreements with five at our Penrith site, New South Wales, two at our Lenah Valley site, Tasmania and one at our Morwell site, Victoria. No fines were issued against these breaches.
- A transitional environmental program is open for the Tolga site, with actions progressing to manage and reduce dust.

All remaining informal and formal complaints received in relation to environmental issues were resolved and no further action was required of us by respective regulators. Bega Group received no significant fines for non compliance in FY2024.

BEGA GROUP SUSTAINABILITY GOVERNANCE AS AT 30 JUNE 2024

BEGA CHEESE LIMITED BOARD OF DIRECTORS

THE BOARD

- Considers the social, ethical and environmental impact of our activities and operations, sets standards and monitors what we do and the extent to which we comply with our social responsibilities
- Reviews and ratifies systems of risk management, internal compliance and control, codes of conduct and legal, regulatory and best practice corporate governance compliance

BOARD SUB-COMMITTEES

- **RISK AND SUSTAINABILITY COMMITTEE**
- **NOMINATION, REMUNERATION AND PEOPLE & CAPABILITY COMMITTEE**
- **MILK SERVICES COMMITTEE**
- **AUDIT COMMITTEE**

THE COMMITTEE

- Oversees the adequacy and effectiveness of Bega Group's sustainability framework, including a consideration of material exposure to environmental or social risks, how risks are managed and review of sustainability-related disclosures for Board approval
- Makes recommendations to the Board in relation to risk appetite, the adequacy and effectiveness of the risk and compliance management frameworks

THE SUSTAINABILITY STEERING GROUP

- Consists of senior leaders in key roles responsible for environmental and social performance from across Bega Group
- Endorses and resources sustainability strategy
- Maintains oversight of initiatives and performance against targets



FOR MORE INFORMATION ON OUR CORPORATE GOVERNANCE AND BUSINESS CONDUCT POLICIES, INCLUDING:

- WHISTLEBLOWER POLICY
- CODE OF CONDUCT
- ANTI-FRAUD AND CORRUPTION
- COMPLIANCE AND INTEGRITY
- CORPORATE GOVERNANCE STATEMENT

VISIT:

BEGA GROUP BUSINESS CONDUCT

AND

INVESTORS CORPORATE GOVERNANCE

ASSESSMENT OF KEY TOPICS AND STAKEHOLDER ENGAGEMENT

In refreshing our material topics this year, we used guidance from reporting standards, specifically GRI 3: Material Topics 2021 which defines material topics as those which represent our most significant impacts on the economy, environment, and people, including impacts on their human rights. A third party conducted the assessment. A double-materiality approach was adopted to address both our impacts on the outside world and the risks and opportunities to our business.

The process included a prioritisation phase which assessed:

- impacts, both positive and negative, for their scale, scope, irremediability and attribution and concern to key stakeholders
- risks and opportunities based on dependencies on sources of capital, including natural capital, and ability to create or erode value.

The top 16 material topics

Topic	Definition
Food safety	Ensuring the safety, integrity, and nutritional quality of food products
Product quality	High-quality products that exceed customer and consumer expectations
Climate risk	Managing the impacts of climate change, creating resilience towards extreme weather events
Health and safety	Prioritising the health and safety of employees by implementing robust health and safety protocols
Greenhouse gas emissions	Addressing greenhouse gas emissions from agriculture, transport and manufacturing
Government regulations and policy	Compliance with laws, regulations, and government policies and engaging policymakers
Responsible procurement	Transparency and traceability throughout the supply chain and ethical sourcing practices
Corporate governance	Policies, procedures, and practices for overseeing and managing operations to ensure effective management, ethical conduct, and alignment with stakeholder interests
Human rights	Upholding and respecting human rights within the operations and supply chain
Responsible marketing and branding	Policies and practices emphasising ethical and transparent marketing strategies prioritising consumer well-being, truthfulness, and accuracy in advertising
Animal welfare and feed	Ethical sourcing and production practices concerning animal-derived products and implementing animal welfare standards
Product development	The continuous development of new food products, packaging solutions, and agricultural technologies
Engaging with farmers	Actively involving and informing farmers about strategies and best practices aimed at reducing methane emissions from agricultural activities while maintaining farmer livelihoods
Sustainable consumption and production	Promoting sustainable consumption habits among consumers by offering responsibly produced goods that align with consumer preferences for sustainable products and brands
Industry collaboration and partnerships	Strategic partnerships and cooperative efforts among stakeholders
Energy management	Implementing energy-efficient manufacturing processes and investing in renewable energy sources

BEGA GROUP MATERIALITY PROCESS

PHASE 1

CURRENT STATE ASSESSMENT

- Identification of actual and potential impacts and their significance
- Desktop review of operating context and external trends
- External benchmarking

PHASE 2

STAKEHOLDER ENGAGEMENT

- Interviews with internal and external stakeholders, including customers and suppliers
- Topic universe refined and defined

PHASE 3

SCORING AND VALIDATION

- Scoring and prioritising of topics
- Confirming results with key internal stakeholders
- Validation by steering group

PHASE 4

MATERIALITY REPORTING AND SUSTAINABILITY PROGRAM

- Presentation to Risk and Sustainability Committee and endorsement
- Overlay with developing strategy refresh
- Incorporate results into Sustainability Report

There have been significant changes to the business, including acquisitions, since the previous materiality assessment was undertaken. While several topics, such as food safety, responsible procurement and greenhouse gas emissions, remained highly material, there is an increasing emphasis on climate change, corporate governance issues and compliance with government policy and emerging regulation.

While stakeholders were specifically engaged as part of the materiality assessment this year, we continue to also engage with the stakeholders who are impacted by our business activities. Such stakeholders include farmers, suppliers, investors, customers, consumers, government and regulators, industry associations and employees. These activities provide valuable insights on stakeholder concerns.



Our stakeholders

Stakeholder group	Why its important to engage?	How we engage
Farmers 	Farmers are essential to our business and our sustainability journey. It is critical that we engage with farmers to understand how we can support them and maintain productive, sustainable relationships into the future.	• Inform directly through targeted digital communications • Consult through representative groups such as the Grower Advisory Group and Annual Growers Meeting • Support and collaborate in face to face and direct engagement with our dedicated farm services officers, building 1:1 relationship • Support by making resources available, such as the Better Farms Program, providing dairy farmers with advice and support, training and development, and capital works grants
Other suppliers and producers 	Our suppliers and producers help us meet our shared commitments and build a better future through our production practises and the communities in which we operate.	• Inform suppliers directly of our sustainability ethos, goals and objectives, and ensure alignment • Support and collaboration through face-to-face meetings, regular reviews and dedicated relationship managers
Shareholders 	It is our responsibility to deliver returns for our shareholders while meeting our sustainability commitments. Its important we are transparent as to how we are minimising risks and optimising opportunities.	• Inform in investor meetings, results presentations and sustainability reporting • Inform through ASX announcements and press releases and annual general meetings • Collaborate through ESG investment analyst surveys
Customers 	Understanding and contributing to our customers' sustainability goals underpins our shared success. The only way we can deliver a better future, is by working together.	• Inform through responses to questionnaires and quarterly updates • Collaborate through hosting customer site visits, audits and reviews • Support through access to programs such as SEDEX
Consumers 	It is our responsibility to do the right thing for our consumers and the communities they live in, and to meet their expectations for quality sustainable products.	• Support through responsive customer service teams across all brands • Inform through active engagement on social media channels • Consult and involve in consumer research programs like monthly brand health listening research • Inform in general advertising across digital media, out of home signage, on pack and at store
Government and regulators 	Understanding the policy position of government, engaging with reporting requirements and contributing to the development of regulations and frameworks helps ensure we are meeting our sustainability obligations.	• Collaborate in consultative committees and periodic strategic meetings with government departments and regulators • Inform through information requests • Inform and collaborate through statutory reporting, site inspections and audits • Collaborate with export authorities
Industry associations 	We work collaboratively with industry associations to develop our professional networks and a collective understanding of shared areas of interest and to support innovation.	• Support and collaborate through membership of key industry bodies • Collaborate and inform through participation in forums and working groups • Support through representation on collective action groups and industry-led initiatives
Employees 	People are the heart of our business. It is important our people are informed and supported so they are safe and engaged in the organisation.	• Consult through regular employee surveys • Inform through town hall sessions • Support through internal recognition system • Support through employee assistance, safety and diversity programs • Collaborate and involve with opportunities to join internal communities

MEMBERSHIPS

Industry associations
Australian Dairy Industry Council (Director)
Australian Dairy Products Federation (Director)
Australian Packaging Covenant Organisation
Australian Food and Grocery Council
Infant Nutrition Council Australia and New Zealand
Australian Honey Bee Industry Council
Dairy Australia
Dairy Australia's Industry Working Group for Sustainable Packaging
Dairy Industry Association of Australia
Australian Association of Convenience Stores
Australian Association of National Advertisers
Voluntary Sustainability Initiatives
Australian Dairy Industry Sustainability Framework (Steering Committee)
Dairy Manufacturers Sustainability Council
APCO Collective Action Group
APCO Flexible Plastics Material Stewardship Committee
APCO Rigid Plastics Material Stewardship Committee
The Regional Circularity Co-operative Limited (Chair)
Roundtable on Sustainable Palm Oil (Associate member)



APPENDIX



APPENDIX A: DATA BOUNDARY

Data included in Sustainability Report FY2024

Entities in Consolidated Financial Statement in 2024	Ownership	Supply chain	Food safety	Nutrition	Workforce	Safety	Energy	Carbon	Water[12]	Wastewater[12]	Waste[12]	Packaging[13]
Bega Cheese Ltd (Parent)	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
180 Nutrition Pty Ltd	100	✓	✓	✓	×	×	×	×	×	×	×	✓
BDD Australia Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
BDD Foods Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
BDD Milk Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Bega Cheese Benefit Fund Ltd	100	×	×	×	×	×	×	×	×	×	×	×
Bega Cheese Investments Pty Ltd	100	×	×	×	×	×	×	×	×	×	×	×
Bega Dairy and Drinks Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Bega Dairy and Drinks Finance Pty Ltd	100	×	×	×	×	×	×	×	×	×	×	×
Bega Dairy and Drinks Services Pty Ltd	100	×	×	×	×	×	×	×	×	×	×	×
Bega Insurance Pte Ltd	100	×	×	×	×	×	×	×	×	×	×	×
Berri Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Berri Asia Sdn Bhd	100	×	×	×	×	×	×	×	×	×	×	×
Blowflex Mouldings Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Capitol Chilled Foods (Australia) Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dairy & Drinks Singapore Pte Ltd	100	×	×	×	×	×	×	×	×	×	×	×
Dairy Farmers Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dairy Vale Foods Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Malanda Dairyfoods Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
National Foods Holdings Ltd	100	×	×	×	×	×	×	×	×	×	×	×
National Foods Beverage Holdings Pty Ltd	100	×	×	×	×	×	×	×	×	×	×	×
Peanut Company of Australia Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
QUD Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Shanghai Great Lion Food & Beverages Management Co Ltd	100	×	×	×	×	×	×	×	×	×	×	×
Tatura Milk Industries Pty Ltd	100	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Tatura Cheese Industries Pty Ltd	100	×	×	×	×	×	×	×	×	×	×	×
CBH Fresh Ltd	13.65	×	×	×	×	×	×	×	×	×	×	×

[12] Excludes logistics sites and depots outside of Bega operational control.

[13] Excludes contract manufacturing and SKUs exported outside of Australia.

APPENDIX B: PERFORMANCE DATA

Unless otherwise stated:

- all references to a year refer to 1 July 2023 to 30 June 2024, except packaging data which is based on calendar year data, consistent with the requirements of APCO,
- acquisitions are included from the first full reporting cycle following the date of completion of the acquisition, and
- divestments are excluded from the date of completion of the transaction.

Business Activity

Measure - business activity metrics		FY2024
Weight of products sold	Tonnes of product	270,362
	Kilolitres of product	881,792
Number of production facilities		19

Volume of products sold

This is calculated as the total production volume measured in either tonnes or kilolitres manufactured across all our sites and reporting entities, as outlined in the data boundary, in this financial year.

Number of production facilities

This is the number of facilities owned and operated by Bega Group and it's subsidiaries that process or manufacture products. It does not include sites or facilities used only for the purposes of logistics or administration.

Environment

Measure - energy			
Consumption (gigajoules)	FY2022	FY2023	FY2024
Energy consumption	2,733,082	2,613,303	2,588,775
Natural gas	1,612,699	1,519,750	1,516,502
Electricity	849,649	815,445	811,013
Wood	192,318	206,040	192,134
LPG stationary	66,986	62,114	61,445
LPG mobile	714	0	0
Diesel mobile	2,062	1,974	619
Diesel stationary	339	209	382
Petrol mobile	731	847	178
Petrol stationary	285	305	271
Biogas	7,299	6,220	5,371
Solar	0	398	861

Total energy consumed

The total amount of energy used by our manufacturing sites and logistics facilities. This includes energy from: natural gas, electricity, wood, liquid petroleum gas (stationary and mobile), diesel fuel (stationary and mobile), petroleum (stationary and mobile) and biogas. Electricity and gas data are converted to gigajoules. Data is calculated using the Australian Government's National Greenhouse and Energy Reporting (Measurement) Determination.

Environment

Measure – greenhouse gas emissions			
Greenhouse gas emissions (tonnes CO2e)	**FY2022**	**FY2023**	**FY2024**
Scope 1	89,662	84,321	83,512
Scope 2	199,156	169,841	158,771
Total	288,818	254,162	242,283

Scope 1 greenhouse gas emissions

This is the total greenhouse gas emissions produced directly from Bega Group's activities from on-site combustion and logistics. The key activities that give rise to scope 1 emissions are generating heat from combustion of natural gas and LPG in boilers for making products and for cleaning. The reporting boundary is based on operational control. Emissions are calculated using the Australian Government's National Greenhouse and Energy Reporting (Measurement) Determination.

Scope 2 greenhouse gas emissions

This is the total greenhouse gas emissions produced indirectly from Bega Group's activities including purchased electricity. The key activities that give rise to scope 2 emissions include utilising electricity to power production equipment and provide refrigeration, compressed air and chilled water. The reporting boundary is based on operational control. Electricity data is collected from invoices provided by utilities, reviewed for accuracy and stored internally. When a quarterly electricity invoice is not available for a logistics site at the time of reporting, data from the corresponding month in the previous reporting period is used. Emissions are calculated using the Australian Government's National Greenhouse and Energy Reporting (Measurement) Determination.

Measure – greenhouse gas emissions			
Greenhouse gas emissions intensity	**FY2022**	**FY2023**	**FY2024**
Tonnes of CO2e per kilolitre of product (tCO2e/kL)	0.12995	0.11192	0.10876
Tonnes of CO2e per tonne of product (tCO2e/t)	0.64	0.56	0.54

Greenhouse gas emissions intensity

This is our total scope 1 and 2 greenhouse gas emissions by tonne of product and by kilolitre of product reported separately.

Measure - Water			
Water withdrawal by source (megalitres)	**FY2022**	**FY2023**	**FY2024**
Ground water	279	274	258
Municipal water	3,296	2,985	3,233
Surface water	118	135	108
Total withdrawal	3,694	3,394	3,599
Reused water	861	790	1,456
Wastewater discharge (megalitres)			
Effluent discharge	3,783	3,585	3,665

Water withdrawal

This is the total amount of water withdrawn at our manufacturing facilities. This includes water sourced from municipal or other water authorities (third parties), surface water and ground water. This is expressed in megalitres.

Wastewater generation

Wastewater is generated from cleaning, heating and cooling, and from evaporating milk into powder products. Reused water is water reclaimed from manufacturing and production processes that is treated and reused for beneficial purposes, including irrigation and industrial processes.

Measure - waste			
Waste diversion (%)	**FY2022**	**FY2023**	**FY2024**
Solid waste diverted from landfill	94	92	93
Solid waste generated (tonnes)			
Waste total	83,263	72,193	78,332
Waste to landfill	4,951	5,451	5,200
Waste diverted from landfill	78,312	66,742	73,132

Total waste

This is the total solid waste generated from our manufacturing facilities. It includes solid and liquid waste, organic waste and sludge. It excludes waste arising from office buildings where Bega Group does not have operational responsibility and any milk loss included within wastewater. Waste data is primarily collected directly from invoices and from monthly reports provided by our contractors.

Waste to landfill

This is the total solid waste sent to landfill and includes: general dry waste and wet waste, hazardous waste, laboratory waste, packaging and other waste which cannot be recycled. Waste data is primarily collected from monthly reports provided by our contractors.

Waste diverted from landfill

This is the percentage of solid waste generated from our manufacturing and distribution facilities which is diverted from landfill. Waste data is primarily collected from monthly reports provided by our contractors. Bega rely on our Contractors to determine waste segregation and subsequent diversion from landfill based on bin type collected.

Packaging

Measure - packaging			
	CY2021	**CY2022**	**CY2023**
Total weight of packaging used (tonnes)	> 47,000	46,298	38,546
Percentage made from recycled and/or renewable materials (%)	27	34.8	34.1
Percentage that is recyclable, reusable, and/or compostable (%)	82.5	88.7	93.2

Total weight of packaging used

This is the total weight of packaging material used in the production of our branded products placed on the Australian market. This includes all types of primary and secondary packaging material across all product categories in tonnes. This excludes the products we manufacture on behalf of our customers. Reporting aligns to our APCO reporting period (calendar year). Data in calendar year 2021 has been estimated.

Percentage of our packaging made from recycled and/or renewable material

This is the percentage of our total weight of packaging used in production of our branded products that contains recycled material. Reporting aligns to our APCO reporting Calendar Year period.

Percentage of our packaging materials which are recyclable, reusable and/or compostable

This is the percentage of our total weight of packaging that is made of materials considered recyclable, reusable or compostable, as defined by the Australian Packaging Covenant Organisation (APCO). Reporting aligns to our APCO reporting Calendar Year period.

Workforce

Measure - workforce	FY2024				
Workforce by employment type and gender	**Female**	**Male**	**Non-binary**	**Undeclared**	**Total**
Total workforce	1,097	2,619	4	3	3,723
Full time	879	2,383	3	3	3,268
Part-time	157	98	1	0	256
Permanent	1,004	2,447	4	3	3,458
Fixed term	32	34	0	0	66
Casual	61	138	0	0	199

Workforce by region and gender	Female	Male	Non-binary	Undeclared	Total
Australian Capital Territory	3	16	0	0	19
New South Wales	288	801	0	1	1,090
Northern Territory	1	1	0	0	2
Queensland	99	264	1	0	364
South Australia	26	148	0	1	175
Tasmania	8	49	0	0	57
Victoria	652	1,261	3	1	1,917
Western Australia	20	78	-	-	98
Other - Dubai	0	1	0	0	1

Workforce by gender representation by employment category	Female	Male	Non-binary	Undeclared
Board members	25.00%	75.00%	0.00%	0.00%
Management	34.10%	65.90%	0.00%	0.00%
Non-management	28.72%	71.06%	0.13%	0.09%
Workforce overall	29.47%	70.35%	0.11%	0.08%

Workforce by age group of employees by category	<30 years of age	30-50 years of age	50+ years of age
Board members	0.00%	0.00%	100.00%
Management	2.49%	65.13%	32.38%
Non-management	12.31%	50.52%	37.18%
Workforce overall	10.91%	52.46%	36.64%

Freedom of association	% of total workforce
Employees covered by collective bargaining agreements	56.81

Unless otherwise stated, our workforce metrics include all Bega Group permanent and fixed term employees (both full time and part-time) on a full time equivalent (FTE) basis as at 30 June 2024. This excludes contractors. Diversity metrics are based on self-identification by employees themselves at either on-boarding or dedicated employee survey. Management includes Senior Management and Executives. Where metrics based on percentage are presented, rounding of raw data has occurred.

Employees covered by a collective bargaining agreement

This is the percentage of Bega Group's total employees (both full time and part-time) covered by collective bargaining agreements.

Safety

Measure - safety	FY2022	FY2023	FY2024
Fatalities	0	0	0
Total recordable injury frequency rate (TRIFR)	14.4	17.7	17.6
High-consequence work-related injuries	10	19	20

We include, in our safety performance data, all incidents and injuries involving employees, labour hire, contractors and visitors at all our manufacturing and network logistics sites and commercial offices in Australia. Safety performance data also includes sales and field support personnel working domestically or overseas across all locations where we have management control.

Total recordable injury frequency rate (TRIFR)

The TRIFR is calculated as the total number of recordable injuries for each million hours worked during the financial year. Recordable injuries include all lost time injuries, medical treatment injuries and restricted work injuries for Bega Group employees and contractors. A medical treatment injury is any injury or condition requiring medical treatment over and above that possible by a first aid trained staff member.

High-consequence work-related injuries

High-consequence work-related injuries are those injuries from which the worker cannot, does not, or is not expected to recover fully to pre-injury health within six months. It is calculated as the total number of high-consequence work-related injuries for Bega Group employees and contractors.

Foodbank

Data regarding the donation of product and provision of fresh white milk to Foodbank is provided by Foodbank and is not verified or otherwise assured by Bega Group.

Nutrition

"Best and good" categories

Products with health and nutrition attributes defined as meeting our health and nutrition product "best and good" criteria, so they are an appropriate portion, size and/or higher in positive nutrients and lower in specific negative nutrients. Our "best and good" criteria are based on local and international recommendations and guidelines.

Right portion size

Products that are sold in single serve packaging that is less than or equal to defined appropriate portion size and meet our health and nutrition "best and good" criteria.

Health Star ratings

As defined by Australian government Health Star rating front of pack labelling scheme. See healthstarrating.gov.au/

Revenue from products labelled or marketed to promote health and nutrition attributes.

Percentage of Bega owned brands of consumer facing foods and beverages that meet our "best and good" criteria, and as such are an appropriate portion size and/or higher in positive nutrients and/or lower in specific negative nutrients. Data is based on 12 months Net Sales Revenue (NSR).

Revenue from products with a Health Star rating of 3.5 or above.

Percentage of Bega owned brands of consumer facing foods and beverages that have a Health Rating of 3.5 or greater. Data is based on 12 months Net Sales Revenue (NSR).

Food safety and quality

Measure – food safety and quality	FY2022	FY2023	FY2024
Number of food safety audits of Bega Group	187	162	122
Number of food safety audit days of Bega Group	264	221	195
Number of Bega Group sites audited for food safety	20	20	18
Number of food safety recalls issued by Bega Group	0	1	0
Number of incidents of non-compliance with food safety regulations or voluntary codes by Bega Group	0	0	0
% of Bega Group manufacturing sites certified to GFSI recognised certifications	100	100	100
Number of major non-conformances against GFSI audits of manufacturing sites	-	-	1
Number of minor non-conformances against GFSI audits of manufacturing sites	-	-	86
% of ingredients sourced from tier 1 suppliers certified to a GSFI recognised certification	93	76	91

Number of food safety audits

This is the total number of individual audits conducted across all sites operated by Bega Group. This number includes commercial (third party) audits, customer specific audits, regulatory (food authority) audits and audits by bodies for assured status certification (such as Halal, Kosher, etc.)

Number of food safety audit days

This is a calculated by totalling the number of person days used to complete all audits. For example, an audit carried out over two days with two auditors is equivalent to four audit days.

Number of sites audited for food safety

This relates only to manufacturing sites owned and operated by Bega Group.

Number of food safety recalls issued.

A food recall is action taken by a food business to remove unsafe food from distribution, sale and consumption. This means food that may cause illness or other physical harm to a person consuming the food.

Number of incidents of non-compliance with food safety regulations or voluntary codes

This is the total number of non-conformance notices received from advisory and administrative code(s), statute(s), or other requirement(s) related to food safety, but not leading to a recall. A notice of non-compliance can relate to, but is not limited to, issues with facilities' hygienic practices, product allergen labelling, product contamination, food and colour additive violations, and other food safety issues covered by relevant regulations.

Percentage of manufacturing sites certified to Global Food Safety Initiative (GFSI) standards

This is the number and percentage of operated facilities which are certified to certification programs that meet the Global Food Safety Initiative (GFSI) Benchmarking Standards on June 30 of the financial year.

Major and minor non-conformances with GFSI

Major and minor non-conformance is defined by the relevant GFSI-recognised certification program. Specifically, the BRCGS Global Food Safety Standard or the FSSC 22000 Global Standards.

Percentage of ingredients sourced from tier 1 supplier facilities certified to GFSI

This is calculated as the percentage of food ingredients, based on cost, sourced from tier 1 suppliers certified to a GFSI-recognised certification program divided by the total cost of food ingredients sourced from all tier 1 suppliers. Tier 1 suppliers are defined as suppliers that transact directly with Bega Group. This calculation excludes packaging materials or other goods and inputs that are not food or ingredients for food products. The calculation also excludes milk sourcing which is subject to other quality and food safety programs.

Sourcing

Measure - food ingredients certified by a 3rd party sustainability standard			
% of total purchased by weight	**FY 2022**	**FY 2023**	**FY 2024**
Palm oil products (RSPO) certified	97.1	99.76	99.93
Coffee powder (RFA)	13	71	72.7

Measure - % of certified palm oil by category			
% of total purchased by weight	**FY 2022**	**FY 2023**	**FY 2024**
Identity preserved or segregated	97	95.59	96.59
Mass balance	-	4.17	3.35
Non-RSPO/unknown	-	0.24	0.07

Palm oil sourced to a certified standard

This is the percentage of direct (where palm oil is the ingredient) and indirect (where palm oil is an ingredient of an ingredient we purchased) palm oil ingredients by weight that we purchased for the financial year for Bega branded products certified from suppliers as RSPO Certified Sustainable Palm Oil and consistent with the RSPO Supply Chain Certification Standard (SCCS:2020). Our Sustainable Palm Oil Sourcing Policy details our approach including a preference for segregated and identity preserved model materials. Part of our data is estimated. Where exact ingredient % split isn't provided, certain assumptions are made taking industry averages or worst case scenario. Where an ingredient with palm oil is used in both Bega Branded and non-branded products, the full amount purchased is included in the calculation. Our data is presented according to the following model categories:

Identity preserved – RSPO Certified Sustainable Palm Oil from a single identifiable certified source that is kept separately from ordinary palm oil throughout the supply chain.

Segregated – RSPO Certified Sustainable Palm Oil from different certified sources that is kept separate from ordinary palm oil throughout the supply chain.

Mass balance – RSPO Certified Sustainable Palm Oil from certified sources that is mixed with ordinary palm oil throughout the supply chain.

Non RSPO/ unknown – Palm Oil which is not certified, where certification is incomplete or purchase is indirect (ie. where palm oil is pre-mixed in an ingredient).

Coffee sourced to a certified standard

This is the percentage of total coffee powder we purchase by weight for the financial year for Bega Group from suppliers certified under the Rainforest Alliance Sustainable Agriculture Standard. Coffee powders pre-mixed by suppliers for Dare Iced Coffee are not included in the reporting. However these have also been certified as part of chain of custody requirements. Product claims associated with Rain Forest Alliance (RFA) meet the criteria as defined by the RFA. https://www.rainforest-alliance.org/for-business/2020-certification-program/

Measure – ethical sourcing supplier audits				
Non-conformance outcomes	**Business critical**	**Critical**	**Major**	**Minor**
Resolved	0	3	15	11
Open	0	15	29	11

Business critical non-conformance

Defined by the Sedex Members Ethical Trade Audit (SMETA) Non-Compliance Guidance as: A breach of a code item or law which presents an imminent or serious risk of life and limb, or which constitutes a severe human rights impact that could be difficult or impossible to remedy.

Critical non-conformance

Defined by the Sedex Members Ethical Trade Audit (SMETA) Non-Compliance Guidance as: A systemic, deliberate or severe breach of a code item or local law which represents a danger to workers or others, or which denies a basic human right; An attempt to pervert the course of the audit through fraud, coercion, deception or interference with the audit process.

Major non-conformance

Defined by the Sedex Members Ethical Trade Audit (SMETA) Non-Compliance Guidance as: A systemic breach of a code item, local law that could present a danger to workers or violate upon a human right.

Minor non-conformance

Defined by the Sedex Members Ethical Trade Audit (SMETA) Non-Compliance Guidance as: An isloated breach of a code item or local law which represents low risk to workers; A policy issue or misunderstanding where there is no evidence of a material breach of a code item or local law.

Open non-conformance outcome

Non-conformance report that has not yet been closed out by the vendor or is waiting an auditor's review and acceptance of the proposed corrective action plan.

Resolved non-conformance outcome

A corrective action plan has been completed and approved by the auditor with no further works to be completed.

Bega Better Farms Program grants

Grants under the Better Farms program are paid to suppliers of milk to Bega Group through the milk payment system and reconciled against the supplier payment report. Better Farms capital works projects are paid based on the completion of the project works verified by our Milk Supply Officers and following the provision of completed works paid invoices and a completed works photograph. The program is subject to an independent audit, last undertaken in June 2020. The audit opinion is available on the Better Farms website.

Governance

Number of significant fines for non-compliance

All matters for which a regulatory body or agency has issued a fine that has a monetary value of $100,000 (AUD) or more or is a material regulatory breach (e.g. resulting in serious injury or environmental damage).

APPENDIX C: ASSURANCE STATEMENT

To the Directors of Bega Cheese Limited

Independent Limited Assurance Report on selected Subject Matter Information in Bega Cheese Limited's Sustainability Report for the year ended 30 June 2024

The Board of Directors of Bega Cheese Limited ("Bega") engaged us to perform an independent limited assurance engagement in respect of the selected Subject Matter Information in Bega's Sustainability Report for the year ended 30 June 2024 (FY24 Sustainability Report) (the "Subject Matter Information").

Subject Matter Information and Criteria

The Subject Matter Information is set out in the table below:

Subject Matter Information for the year ended 30 June 2024	
Total Greenhouse gas (GHG) emissions Scope 1 & Scope 2 (tonnes CO2e)	*242,283 tCO2-e*
Total waste (tonnes)	*78,332 tonnes*
Total waste to landfill (tonnes)	*5,200 tonnes*
Total waste diverted from landfill (tonnes)	*73,131 tonnes*
Total percentage of palm oil purchased by weight from Roundtable on Sustainable Palm Oil (RSPO) certified suppliers	*99.93 %*
Total percentage of coffee powder purchased by weight that is supplied by Rainforest Alliance Standard certified suppliers	*72.7 %*

The Reporting Criteria used by Bega to prepare the Subject Matter Information is set out from page 61 of Bega's FY24 Sustainability Report, which is published on Bega's website, as at the date of this report (the "Criteria").

The maintenance and integrity of Bega's website is the responsibility of Bega's Management; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Subject Matter Information or Criteria when presented on Bega's website.

Our assurance conclusion is with respect to the year ended 30 June 2024 and does not extend to information in respect of earlier periods or to any other information included in, or linked from, the FY24 Sustainability Report including any images, audio files or videos.

Responsibilities of Management

Management is responsible for the preparation of the Subject Matter Information in accordance with the Criteria. This responsibility includes:

- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring, evaluating and preparing the underlying Subject Matter Information;
- ensuring that those criteria are relevant and appropriate to Bega and the intended users; and designing, implementing and maintaining systems, processes and internal controls over information relevant to the preparation of the Subject Matter Information, which is free from material misstatement, whether due to fraud or error, against the Criteria.

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Our independence and quality control

We have complied with the ethical requirements of the Accounting Professional and Ethical Standard Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* relevant to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Australian Standard on Quality Management ASQM 1*, Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibilities

Our responsibility is to express a limited assurance conclusion based on the procedures we have performed and the evidence we have obtained.

Our engagement has been conducted in accordance with the Australian Standard on Assurance Engagements (ASAE) 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and ASAE 3410 *Assurance Engagements on Greenhouse Gas Statements*. Those standards require that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention to indicate that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Criteria, for the year ended 30 June 2024.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.

In carrying out our limited assurance engagement we:

- made inquiries of the persons responsible for the Subject Matter Information;
- obtained an understanding of the process for collecting and reporting the Subject Matter Information;
- tested the mathematical accuracy of a sample of calculations with respect to the Subject Matter Information;
- undertook analytical review procedures over data utilised within the calculations and preparation of the Subject Matter Information;
- performed limited substantive testing on a sample basis of the Subject Matter Information to assess that data had been appropriately measured, recorded, collated and reported;
- assessed the methodologies applied and calculations undertaken by management in the preparation of the Selected Subject Matter against the Criteria; and
- considered the disclosure and presentation of the Subject Matter Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or non-compliance may occur and not be detected. A limited assurance engagement is not designed to detect all instances of non-compliance of the Subject Matter Information with the Criteria, as it is limited primarily to making enquiries to Management and applying analytical procedures.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time. In addition, GHG quantification is subject to inherent uncertainty because of evolving knowledge and information to determine emissions factors and the values needed to combine emissions of different gases.

Where procedures are performed over metrics that involve a certification from an external industry body or organisation, we have not performed any procedures over those external providers, and express no conclusion about the veracity of their certifications.

The limited assurance conclusion expressed in this report has been formed on the above basis.

Our limited assurance conclusion

Based on the procedures we have performed, as described under 'Our responsibilities' and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Criteria for the year ended 30 June 2024.

Use and distribution of our report

We were engaged by the Board of Directors of Bega on behalf of Bega to prepare this independent assurance report having regard to the criteria specified by Bega and set out in this report. This report was prepared solely for Bega for providing limited assurance in respect of the selected Subject Matter Information contained within its FY24 Sustainability Report for the year ended 30 June 2024.

We accept no duty, responsibility or liability to anyone other than Bega in connection with this report or to Bega for the consequences of using or relying on it for a purpose other than that referred to above. We make no representation concerning the appropriateness of this report for anyone other than Bega and if anyone other than Bega chooses to use or rely on it they do so at their own risk.

This disclaimer applies to the maximum extent permitted by law and, without limitation, to liability arising in negligence or under statute and even if we consent to anyone other than Bega receiving or using this report.

PricewaterhouseCoopers

Scott Thompson
Partner

Melbourne
18 October 2024

APPENDIX D: GLOSSARY

Terms	
ADISF	Australian Dairy Industry Sustainability Framework
APCO	Australian Packaging Covenant Organisation
EMS	Environmental management system
EBITDA	Earnings before interest, taxes, depreciation and amortisation
GHG	Greenhouse gases
GRI	Global Reporting Initiative
HACCP	Hazard analysis and critical control points
KPI	Key performance indicator
SASB	Sustainability Accounting Standards Board
SMETA	Sedex Members Ethical Trade Audit

Units	
CO2e	Carbon dioxide equivalent, a standard unit for measuring carbon. The amount of a greenhouse gas that a business emits is measured as an equivalent amount of carbon dioxide which has a global warming potential of one
tCO2e	Tonnes of carbon dioxide equivalent gas
GJ	Gigajoule, unit of energy equal to one billion (109) joules of energy
GJ/t	Gigajoules per tonne of product
kg	Kilogram, unit of mass equal to 1,000 grams
kg/t	Kilograms per tonne of product
kl	Kilolitre, a unit of volume equivalent to 1,000 litres
kl/t	Kilolitre per tonne of product
kWh	Kilowatt hour, unit of energy equivalent to 3.6 megajoules
Ml	Megalitre, a unit of volume equivalent to 1 million litres
MJ	Megajoule, unit of energy equal to one million (106) joules of energy
t	Tonnes, unit of mass equal to 1,000 kilograms

APPENDIX E: GRI AND SASB CONTENT INDEX

GRI content index

Statement of use	Bega Cheese Limited has reported the information cited in this GRI content index for the period 1 July 2023 to 30 June 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI standard	Disclosure	Location
GRI 2: General disclosures 2021		
	2-1 Organisational details	Pages 4, 12
	2-2 Entities included in the organisation's sustainability reporting	Page 11 and Appendix A
	2-3 Reporting period, frequency and contact point	Page 4 and Appendix B
	2-4 Restatements of information	Page 4 and Appendix B
	2-5 External assurance	Page 4 and Appendix C
	2-6 Activities, value chain and other business relationships	Pages 8-10, 13, 41-43 and 46
	2-7 Employees	Page 28 and Appendix B
	2-9 Governance structure and composition	Pages 52-54, pages 4, 6, 8-10 of Bega Group Corporate Governance Statement and pages 35-36 of Annual Report
	2-10 Nomination and selection of the highest governance body	Page 52, page 4 of Bega Group Corporate Governance Statement and the Nomination, Remuneration, People and Capability Board Committee Charter
	2-11 Chair of the highest governance body	Page 35 of Annual Report and pages 10 and 12 of Bega Group Corporate Governance Statement
	2-12 Role of the highest governance body in overseeing the management of impacts	Pages 52-54, page 4 of Bega Group Corporate Governance Statement and Bega Group Risk and Sustainability Committee Charter
	2-13 Delegation of responsibility for managing impacts	Pages 52-54 and page 4 of Bega Group Corporate Governance Statement
	2-14 Role of the highest governance body in sustainability reporting	Pages 4, 8 and 56
	2-15 Conflicts of interest	Bega Group Code of Conduct, pages 10 and 12 of Bega Group Corporate Governance Statement, pages 35-36, 52, 92-93 of Annual Report
	2-19 Remuneration policies	Pages 40-52 of Annual Report Bega and Group Nomination, Remuneration, People and Capability Board Committee Charter
	2-20 Process to determine remuneration	Page 52. Pages 40-52 of Annual Report Bega and Group Nomination, Remuneration, People and Capability Board Committee Charter
	2-22 Statement on sustainable development strategy	Pages 8-9, 15-16
	2-23 Policy commitments	Bega Group Code of Conduct, Standards of Business Conduct and Bega Group Modern Slavery Statement
	2-25 Processes to remediate negative impacts	Bega Group Code of Conduct, Bega Group Corporate Governance Statement, Bega Group Whistleblower Policy and Bega Group Modern Slavery Statement

APPENDIX E | GRI and SASB Content Index

GRI standard	Disclosure	Location
GRI 2: General disclosures 2021		
	2-27 Compliance with laws and regulations	Pages 30, 34, 53 and Appendix B
	2-28 Membership associations	Page 58
	2-29 Approach to stakeholder engagement	Page 57
	2-30 Collective bargaining agreements	Page 27
GRI 3: Material Topics 2021		
	3-1 Process to determine material topics	Page 56
	3-2 List of material topics	Pages 17 and 55
	3-3 Management of material topics	Pages 19-20, 30-32, 39-40, 41-45, 50, 52-54
GRI 302: Energy 2016		
	302-1 Energy consumption within the organisation	Appendix B
GRI 305: Emissions 2016		
	305-1 Direct (Scope 1) GHG emissions	Pages 19-20 and Appendix B
	305-2 Energy indirect (Scope 2) GHG emissions	Pages 19-20 and Appendix B
	305-4 GHG emissions intensity	Pages 19-20 and Appendix B
GRI 308: Supplier Environmental Assessment 2016		
	308-1 New suppliers that were screened using environmental criteria	Pages 41-44
GRI 403: Occupational Health and Safety 2018		
	403-1 Occupational health and safety management system	Pages 30-32
	403-6 Promotion of worker health	Pages 27-28
	403-9 Work-related injuries	Pages 30-32
GRI 414: Supplier Social Assessment 2016		
	414-1 New suppliers that were screened using social criteria	Pages 41-44
GRI 416: Customer Health and Safety 2016		
	416-1 Assessment of the health and safety impacts of product and service categories	Pages 33-34
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Pages 39-40

The following index provides a list and location of disclosures in our report associated with the SASB Food & Beverage Sector: Processed Foods Standard 2018.

SASB Navigation Index

Sustainability Accounting Standards Board Index – Food & Beverage Sector: Processed Foods Standard 2018				
Activity metric	**Category**	**Unit of measure**	**Code**	**Disclosure/ location**
Weight of products sold	Quantitative	Metric tonnes	FB-PF-000.A	Appendix B
Number of production facilities	Quantitative	Number	FB-PF-000.B	Appendix B

Topic	**Accounting metric**	**Category**	**Unit of measure**	**Code**	**Disclosure/ location**
Energy management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-PF-130a.1	Appendix B. Partially reported
Water management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with high or extremely high baseline water stress	Quantitative	Thousand cubic meters (m^3), Percentage (%)	FB-PF-140a.1	Pages 22-23. Partially reported
	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Quantitative	Number	FB-PF-140a.2	Page 53
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	-	FB-PF-140a.3	Pages 22-23. Partially reported
Food Safety	Global Food Safety Initiative (GFSI) audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Rate	FB-PF-250a.1	Page 40 and Appendix B
	Percentage of ingredients sourced from tier 1 supplier facilities certified to a Global Food Safety Initiative (GFSI) recognised food safety certification program	Quantitative	Percentage (%) by cost	FB-PF-250a.2	Page 40
	(1) Total number of notices of food safety violation received, (2) percentage corrected	Quantitative	Number, Percentage (%)	FB-PF-250a.3	Page 40
	(1) Number of recalls issued and (2) total amount of food product recalled	Quantitative	Number, Metric tons (t)	FB-PF-250a.4	Page 40
Health and nutrition	Revenue from products labelled and/or marketed to promote health and nutrition attributes	Quantitative	Reporting currency	FB-PF-260a.1	Page 34
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	Discussion and Analysis	-	FB-PF-260a.2	Pages 33-34

Topic	Accounting metric	Category	Unit of measure	Code	Disclosure/ location
Product labelling and marketing	Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines	Quantitative	Percentage (%)	FB-PF-270a.1	Not reported
	Revenue from products labelled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO	Quantitative	Reporting currency	FB-PF-270a.2	Not reported
	Number of incidents of non-compliance with industry or regulatory labelling and/or marketing codes	Quantitative	Number	FB-PF-270a.3	Page 34
	Total amount of monetary losses as a result of legal proceedings associated with labelling and/or marketing practices	Quantitative	Reporting currency	FB-PF-270a.4	Page 34
Packaging lifecycle management	(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable	Quantitative	Metric tons (t), Percentage (%)	FB-PF-410a.1	Page 24
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Discussion and analysis	-	FB-PF-410a.2	Pages 23-24
Environmental and social impacts of ingredient supply chain	Percentage of food ingredients sourced that are certified to third-party environmental and/or social standards, and percentages by standard	Quantitative	Percentage (%) by cost	FB-PF-430a.1	Page 45
	Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Rate	FB-PF-430a.2	Page 43
Ingredient sourcing	Percentage of food ingredients sourced from regions with high or extremely high baseline water stress	Quantitative	Percentage (%) by cost	FB-PF-440a.1	Not reported
	List of priority food ingredients and discussion of sourcing risks due to environmental and social considerations	Discussion and analysis		FB-PF-440a.2	Page 42

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