



The a2 Milk Company

# 2023 Corporate Governance Statement

## Corporate Governance Statement

The a2 Milk Company Limited (Company) is committed to maintaining the highest standards of corporate governance. The Company's corporate governance framework has been established to ensure that directors, officers and employees fulfil their functions responsibly, whilst protecting and enhancing the interests of shareholders.

Good corporate governance adds to the performance of the Company, creates shareholder value and engenders the confidence of the investment market.

This Corporate Governance Statement sets out the principal features of the Company's corporate governance framework and governance practices which have been developed with regard to:

- the NZX Corporate Governance Code dated 17 June 2022 (NZX Corporate Governance Code); and
- the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 4th Edition (ASX Principles).

For the financial year ended 30 June 2023 (FY23) the Company's corporate governance framework complied with the recommendations in the NZX Corporate Governance Code and the ASX Principles.

The Company notes the amendments to the NZX Corporate Governance Code, which took effect from 1 April 2023 which the Company will report against in its FY24 Annual Report and Corporate Governance Statement.

This Corporate Governance Statement sets out the Company's commitment to best practice corporate governance in compliance with the NZX Corporate Governance Code and the ASX Principles. It is current as at 30 June 2023 (except where otherwise specified) and has been approved by the Board.

## Role of the Board and delegation of authority

The Board is responsible for the overall governance and operations of the Company, guiding the Company's strategic direction, monitoring risk, and overseeing the activities of management. All issues of substance affecting the Company are considered by the Board, with advice from external advisers as required.

The role and responsibilities of the Board are set out in the Board Charter, available on the Company's website at [www.thea2milkcompany.com/corporate-governance](http://www.thea2milkcompany.com/corporate-governance). These include matters relating to the Company's strategic direction, financial performance, executive management, audit and risk management, business planning, corporate governance and disclosure, performance evaluation, workplace health and safety, ethical conduct, and determining the Company's sustainability strategy, including responding to the Company's environmental and social sustainability risks and opportunities.

The Board delegates certain functions to its three Committees (Audit and Risk Management Committee, People and Remuneration Committee, and Nomination Committee). The role of each of these Committees is outlined in the 'Board Committees' section, below.

Board procedures and reporting ensure that all directors have the information needed to contribute to informed discussion on all agenda items and effectively carry out their duties. The Executive Leadership Team (ELT) make direct presentations to the Board on a regular basis, giving the directors broader contact with the leadership team and enhancing the directors' understanding of the business, its risks and opportunities.

Detail about members of the Board including their skills, experience and expertise relevant to their position, and the period they have held office as a director, can be found in the 'Directors' section of the Company's FY23 Annual Report.

## Role of Chair

The Chair's role is set out in the Board Charter and includes leading and managing the Board so that it operates effectively, and facilitating interaction between the Board and the CEO.

## Role of Chief Executive Officer

To enable the effective day-to-day management and leadership of the Company, the Board delegates the management responsibilities of the Company to the CEO. The CEO in turn sub-delegates parts of that authority to senior executives in the ELT to enable effective and timely decision making. The Board meets regularly with management to provide strategic guidance for the Company and effective oversight of management.

## Role of Company Secretary

The Company Secretary is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board. Each director can communicate directly with the Company Secretary and vice versa. The role of the Company Secretary is outlined in the Board Charter.

## Board size, skills and structure

During the reporting period, the Board comprised between five and seven independent non-executive directors (with David Wang being appointed on 1 September 2022, Kate Mitchell being appointed on 1 June 2023 and Julia Hoare retiring on 30 June 2023) and one executive director, the Managing Director and CEO, David Bortolussi. The Company's constitution provides for a minimum of four and a maximum of eight directors, of which at least two must be ordinarily resident in New Zealand to comply with the NZX Listing Rules. The Company complies with this requirement as both Pip Greenwood and Kate Mitchell reside in New Zealand.

The Board comprises directors with a diverse range of skills, experience and backgrounds to support the effective governance and robust decision-making of the Group. A summary of the key skills and experience of the current directors against those identified in the skills matrix can be found on page 62 of the Company's FY23 Annual Report.

As announced at the time of the Company's Annual Meeting of shareholders (Annual Meeting) held in 2022, David Hearn will stand down as a Board member and Chair at the conclusion of the 2023 Annual Meeting. With board succession in mind and in the spirit of continuous renewal, over the past two years the Board has diversified its capabilities with the appointments of Sandra Yu, who has extensive experience in the IMF market in China, David Wang, who adds further China market and manufacturing expertise, and most recently, Kate Mitchell. Kate Mitchell was appointed to the Board on 1 June 2023 and as the Chair of the Audit and Risk Management Committee with effect from 1 July 2023, replacing Julia Hoare who retired from the Board on 30 June 2023. Kate has significant governance experience as a director of both private and public companies and her appointment further strengthens the Board's finance capabilities, and she brings valuable skills and experience in finance, risk management and governance to the Board.

Having regard to this, the Nomination Committee has considered and is satisfied that the current composition of the Board reflects an appropriate range of skills, diversity of backgrounds and experience for the Company to effectively discharge its responsibilities with the Board continuing to be active in considering renewal as necessary and on an ongoing basis.

## Director independence

Both the NZX Corporate Governance Code and the ASX Principles recommend that a majority of the Board of Directors should be independent, that the Chair of the Board should be independent and that the Chair and CEO should be different people.

The roles of Chair and CEO are not exercised by the same individual. David Bortolussi holds the position of Managing Director and CEO, exercising full executive control and accountability in the organisation.

The Board Charter also provides that the Board will, where practicable, comprise a majority of independent directors.

Director independence is initially assessed upon each director's appointment and reviewed each year, or as required when a new personal interest or conflict of interest is disclosed. For this purpose, each director is required to bring an independent view and judgement to the Board and to declare all actual or potential conflicts of interest on an ongoing basis.

Any issue concerning a director's ability to properly act as a director must be discussed at a Board meeting as soon as practicable, and a director may not participate in discussions or resolutions pertaining to any matter in which the director has a material personal interest.

In determining the independence of its directors, the Board considers guidance for independence, as set out in the NZX Listing Rules, the NZX Corporate Governance Code and the ASX Principles. Based on those rules and recommendations, a director is considered to be independent by the Board if he or she is a non-executive director and free of any interest, position, association or relationship that could reasonably influence, or could reasonably be perceived to influence, in a material respect his, her or their capacity to bring an independent view to decisions in relation to the Company, or act in the best interests of the Company as a whole rather than in their own interests or that of an individual security holder or other party. The Board makes a holistic assessment of a director's independence by considering the interests and relationships of a director that could affect the determination.

Based on these measures, and the considerations discussed in this statement, the Board considers there is an appropriate level of independent view and judgement exercised by all directors and that David Hearn, Warwick Every-Burns, Pip Greenwood, Kate Mitchell, David Wang and Sandra Yu are all independent directors as at 30 June 2023, and that up to her resignation on 30 June 2023, Julia Hoare was also an independent director.

## Board committees

The Board has three standing committees (the Committees) to facilitate and assist the Board in fulfilling its responsibilities. Other committees may be established from time to time with specific responsibilities as delegated by the Board. The composition of the Committees as at, and throughout the financial year ended, 30 June 2023 was as follows:

COMMITTEE	MEMBERS	INDEPENDENT	NON-EXECUTIVE
<b>Audit and Risk Management Committee</b>	Julia Hoare (Chair) <sup>1</sup>	✓	✓
	Warwick Every-Burns	✓	✓
	Kate Mitchell <sup>2</sup>	✓	✓
	David Wang <sup>3</sup>	✓	✓
	Sandra Yu	✓	✓
<b>People and Remuneration Committee</b>	Warwick Every-Burns (Chair)	✓	✓
	Pip Greenwood	✓	✓
	David Wang <sup>3</sup>	✓	✓
	Sandra Yu	✓	✓
<b>Nomination Committee</b>	Pip Greenwood (Chair)	✓	✓
	David Hearn	✓	✓
	Julia Hoare <sup>1</sup>	✓	✓

1. Julia Hoare retired 30 June 2023.

2. Kate Mitchell appointed 1 June 2023 as member and 1 July 2023 as Chair.

3. David Wang appointed 1 September 2022.

The Committees are governed by Charters, which detail their specific functions and responsibilities. The Charter for each Committee is regularly reviewed by the Committee and any recommended changes must be approved by the Board in accordance with the procedures and processes set out in the relevant Charter. Copies of the Committee Charters are available on the Company's website at [www.thea2milkcompany.com/corporate-governance](http://www.thea2milkcompany.com/corporate-governance).

The Committees make recommendations to the Board. They have no decision-making power except where expressly authorised by the Board. The relevant qualifications and experience of individual Committee members are set out in the 'Directors' section, pages 64 and 65 of the Company's FY23 Annual Report.

The Board Charter requires the Board to review and evaluate the performance objectives, responsibilities, and processes and procedures of each Committee on an annual basis in accordance with such performance measures as may be adopted from time to time. The Charter of each Committee also requires the Committee to review and assess its performance, objectives, responsibilities, and processes and procedures each year to ensure that they are not unduly complex, are designed to assist the Board in effectively fulfilling its role and are delivering to a high standard.

## Attendance at Board and Committee meetings

Details of director attendance at Board and Committee meetings during the year ended 30 June 2023 are provided on page 63 of the Company's FY23 Annual Report.

## Audit and Risk Management Committee

The Audit and Risk Management Committee's responsibilities are set out in its Charter, including to:

- ensure the Company meets its financial and sustainability reporting requirements, including the preparation and release of yearly and half-yearly financial statements;
- review the scope and outcome of the external audit;
- review the effectiveness of the Company's internal controls regarding all matters affecting the Company's financial performance and financial reporting, including information technology security and control;
- keep the Board informed on accounting policies, practices and disclosures;
- review, with management, the adequacy of the Company's systems for identifying, managing and monitoring the Company's key risks in accordance with the Company's Risk Management Policy;

- keep the Board informed of all significant business risks by reviewing whether the Group has any material exposures to strategic, environmental and social sustainability risks, and if so, to develop strategies to manage such risks;
- review any incident which indicates a breakdown in the Company's risk management framework; and
- review the Company's register of related party contracts.

The Committee may have in attendance such members of management (including the CEO and the CFO) or such other persons (including the Company's external auditors and other employees) as it considers necessary to provide appropriate information and explanations. The Committee meets a minimum of four times each year.

A working group of senior managers reviews and reports to the Committee on the integrity of all information reported in the Annual Report.

The Audit and Risk Management Committee regularly reports to the Board about the Committee's activities, issues and related recommendations.

## People and Remuneration Committee

The People and Remuneration Committee meets as required to advise the Board on the matters outlined in its Charter, including to:

- oversee the design and implementation of appropriate people and remuneration policies and practices for the Company to ensure the Company can deliver on its business objectives, remuneration is fair and current, and the Company is compliant with relevant laws, regulations and applicable listing rules;
- periodically review the Company's Diversity and Inclusion Policy and annually review and report to the Board on the Company's progress in meeting its current measurable objectives with respect to diversity, and the effectiveness of those objectives, including providing the Board with recommendations as to any updates that should be made to the measurable objectives for ensuing reporting periods;
- review the remuneration of the CEO and ELT as the Board may determine; and
- make recommendations to the Board in relation to the remuneration of the non-executive directors.

Remuneration packages are reviewed annually. Independent external surveys are used as a basis for establishing competitive packages. A member of the Committee must not be present for discussions at a Committee meeting on, or vote on a matter regarding, his, her or their remuneration. Management may attend meetings only at the invitation of the Committee.

Following each meeting, the Chair of the People and Remuneration Committee provides a report to the Board.

The Company's remuneration policies for directors, ELT and other senior leaders are set out in the 'Remuneration' section of the Company's FY23 Annual Report.

## Nomination Committee

The Nomination Committee meets as required to advise the Board on the matters outlined in its Charter, including to:

- make recommendations to the Board in relation to new appointments to the Board;
- assist the Board in planning the Board's composition and that of the Committees;
- advise and assist the Chair and the Board (as applicable) to review the performance of the Board, the Committees and individual directors;
- evaluate the competencies required of prospective directors, identify those prospective directors and establish their degree of independence; and
- develop succession plans for the Board.

Every new director appointment that is approved by the Nomination Committee is considered and decided by the Board as a whole, considering the range of skills and experience (including matters such as independence and diversity) that a potential new director may offer the Board and the ability to fully commit the time needed to be effective as a director of the Company.

Following each Committee meeting, the Chair of the Nomination Committee provides a report to the Board.

## Nominations, appointments and ongoing education

The Company's process for selection, appointment, and re-appointment of directors is detailed in the Nomination Committee Charter.

The Nomination Committee recommends to the Board suitable candidates for appointment as directors. The Committee considers, among other things, the candidate's:

- experience as a director;
- skills, expertise and competencies, and the extent to which those skills complement the skills of existing directors;
- contribution to the diversity of Board membership;
- degree of independence; and
- ability to devote sufficient time to the directorship.

The Company undertakes appropriate checks before appointing a director or ELT member, or recommending a new candidate to shareholders for election as a director. Such checks have been undertaken in relation to all current Board members, and will be undertaken prior to the appointment or election of any new Board recommended director or new ELT member.

The Company provides sufficient information to shareholders about candidates standing for election for the first time and directors seeking re-election at an annual meeting to enable them to make an informed decision on whether or not to elect or re-elect the person, including their relevant qualifications and experience and the skills they bring to the Board, details of any other material directorships or positions currently held by the person, the term of office already served by the director (if applicable), the Board's view on whether the person is or will be considered to be independent, and a statement by the Board in respect of whether it supports the election or re-election of the person.

On joining the Board, each director receives a formal letter of appointment outlining his, her or their duties and obligations, and participates in an induction programme, which provides such information and advice as may be considered necessary or desirable relating to his, her or their appointment to the Board. The induction and training programme includes:

- site and office visits;
- meetings with the ELT, individually and as a group, as required; and
- meeting with relevant business units and functions. For example, Kate Mitchell spent considerable time with the CFO and finance function prior to assuming her role as Chair of the Audit and Risk Management Committee.

To ensure ongoing education, directors are regularly informed of developments that affect the Company's industry and business environment, as well as company and legal issues. Directors receive comprehensive Board papers and briefing information before Board meetings and have unrestricted access to management and any additional information they consider necessary to perform their roles as directors effectively. Directors are also encouraged to undertake appropriate training to remain current on how best to perform their duties as directors.

A director may obtain independent professional advice relating to the affairs of the Company or his, her or their responsibilities as a director or Committee member. Where the director has the approval of the Chair to obtain independent professional advice, the Company will meet the reasonable costs of such advice.

### **Performance review of the Board, Board Committees and individual directors**

The Board recognises that the performance of the Board and its Committees is pivotal to the Company's success and to the protection of the interests of shareholders. The Board and Committee Charters provide for an annual review and assessment of the performance, objectives, responsibilities, processes and procedures of the Board, each Committee and individual directors. The review process is led by the Chair with support from the Company Secretary and Committee Chairs and if considered appropriate, an external consulting company may assist in evaluating the Board's performance (as was the case in FY22). The review in respect of FY23 is being undertaken in accordance with these processes.

### **Internal financial control**

The Board, advised by the Audit and Risk Management Committee, is responsible for the Company's overall system of internal financial control.

The CFO is responsible to the CEO for ensuring that all operations within the Company comply with the Board approved financial control policies.

Under its Charter, the Audit and Risk Management Committee is responsible for regularly reporting to the Board, including reporting on the results of the Committee's review of the Company's risk management and internal control systems. The Board is also required, under the Risk Management Policy, to undertake an annual review of the effectiveness of the Company's risk management and internal control system.

### **External auditor**

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

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

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

### **Internal audit function**

The Company's internal audit programme is focused on evaluating the effectiveness of risk management, control and governance processes.

KPMG acts as the Company's independent internal auditor, reporting to the Company's Head of Internal Audit. The internal auditor has access to review all aspects of the Company's operations. The Audit and Risk Management Committee has overall management of the Company's internal audit function which is independent of the Company's external auditor. The Audit and Risk Management Committee meets regularly to monitor and review the independence, objectivity, performance and effectiveness of internal auditing practices.

### **CEO and CFO annual declaration**

In accordance with recommendation 4.2 of the ASX Principles, the Audit and Risk Management Committee and the Board receive a declaration for each reporting period from the CEO and CFO in relation to the Company's financial statements, that in their opinion:

- the Group's financial records have been properly maintained;
- the consolidated financial statements and accompanying notes comply with generally accepted accounting practice in New Zealand and International Financial Reporting Standards; and
- the consolidated financial statements and accompanying notes give a true and fair view of the financial position and performance of the Group.

This declaration is provided with an assurance that the opinion has been formed on the basis of a sound system of risk management and internal control, and that the system is operating effectively with regard to the identification of material financial reporting risks.

### **Verification of periodic corporate reports**

Periodic corporate reports that are not audited or reviewed by the Company's external auditor are verified internally by management prior to release to the ASX and NZX. The verification process allocates material disclosures within the relevant document to designated persons to substantiate the disclosures by reference to Company source documents or, if no source documents are available, by persons with the knowledge and expertise to confirm the accuracy and completeness of the disclosures.

## Environmental, Social and Governance (ESG)

The Company is committed to high standards of responsible conduct, social responsibility and sustainability in all areas of the business, including operations and supply chain. The Company's commitment comes not just from an acknowledgement that it is the right thing to do, but from a recognition that the manner in which the Company and its partners manage social, environmental and economic impacts is critical to long-term success. The Company's sustainability function is led by the Company's Chief Legal and Sustainability Officer, reporting directly to the CEO.

The Chief Legal and Sustainability Officer is responsible for reporting to the Audit and Risk Management Committee on the Company's ESG reporting requirements and sustainability initiatives and the Board has ultimate responsibility for the Company's environmental and social sustainability risks and opportunities. Over time, the Company has been moving towards a more integrated reporting approach, identifying its sustainability priorities and strategies to meeting its goals and targets throughout the Annual Report.

## Corporate governance policies

The Company has adopted the following policies, each of which has been prepared having regard to the NZX Corporate Governance Code and the ASX Principles and which are available on the Company's website at [www.thea2milkcompany.com/corporate-governance](http://www.thea2milkcompany.com/corporate-governance).

The Board regularly reviews the performance and effectiveness of the Company's corporate governance policies and procedures and, if appropriate, amends those policies and procedures or adopts new policies or procedures, to uphold the integrity of the Company's corporate governance framework.

### Code of Ethics

The Company expects its directors, officers, employees, contractors, consultants, labour hire personnel, trainees and apprentices to conduct themselves in accordance with the highest ethical standards of corporate and individual behaviour. The Company's Code of Ethics sets out the principles and practices which are necessary to maintain confidence in the Company's integrity. As part of the induction process, all new team members undertake Code of Ethics training and are required to comply with all laws which apply to the Company and to the principles of the Code. The business is currently working with the People and Culture team to increase the frequency of training, which will include the Code of Ethics.

The Company requires all team members who become aware of an actual or suspected violation of the Code or wrongdoing by a person to report to a nominated reporting person. This process allows for confidential reporting of any potential violation without disadvantage to the person making the report.

## Continuous Disclosure Policy

The Company has adopted a set of procedures and guidelines to ensure that it complies with its disclosure obligations in accordance with all applicable legal and regulatory requirements, including the NZX Listing Rules and the ASX Listing Rules. Subject to recognised exceptions, this ensures the timely disclosure to the NZX and the ASX of any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Company's securities.

## Risk Management Policy

The Company recognises that risk management is an inherent part of growing and developing the business, and that the Company's ability to identify and address risk is central to achieving its corporate objectives. Effective risk management anticipates risk, develops strategies to manage risk and enables the Company to capitalise on opportunities that bring value to shareholders. The Company's risk management programme assists the Company to identify, assess, monitor and manage its business risk, including any material changes to its risk profile.

Ongoing risk management is a core component of the management of the Company. The Company's risk management approach is supported by:

- a robust risk governance framework overseen by the Board and supported by the Audit and Risk Management Committee;
- a strong and experienced management team with relevant expertise in local markets;
- clearly articulated levels of authority and approval processes;
- established risk identification tools including the Group Risk Register;
- adequate external insurance cover in place, appropriate to the Company's size and risk profile; and
- an internal audit function providing supplementary review of the internal control framework.

Under its Charter, the Audit and Risk Management Committee is responsible for providing assessments to the Board of the adequacy, effectiveness and efficiency of the Company's risk management and internal control process. The Board must also annually, under the Risk Management Policy, review the effectiveness of the Company's risk management and internal control system. The Company's risk management framework is reviewed on an ongoing basis and amended as necessary. Whilst no significant changes were made to the framework or policy, a number of enhancements have been adopted relating to risk categorisation and the risk assessment criteria; and by prescribing actionable mitigations.

Regular communication between management and the Board supplements the Company's quality system, complaint handling processes, employee policies and standard operating procedures which are all designed to address various forms of risks.

Identification of significant sources of risk and our response to those risks can be found in the 'Risks and opportunities' section on pages 50 – 59 of the Company's FY23 Annual Report.

### Shareholder Communications Policy

The Company's Shareholder Communications Policy outlines the Company's approach and commitment to effective communication with shareholders. The Company uses numerous modes of communication, including electronic communication, to ensure that its communications with shareholders are timely, clear and accessible. The Company provides investors with comprehensive and timely access to information about itself and its governance on its website at [www.thea2milkcompany.com](http://www.thea2milkcompany.com). The website includes copies of past annual reports, results announcements, other NZX and ASX announcements, media releases and general Company information.

Shareholders are invited to attend the Annual Meeting, either in person or by representative. The Board regards the Annual Meeting as an excellent forum in which to discuss issues relevant to the Company and accordingly encourages full participation by shareholders. Shareholders have an opportunity to submit questions to the Board and to the Company's external auditor. Shareholders may also attend and participate at the meeting virtually, via an online platform provided by the Company's share registrar.

The Company believes in facilitating and encouraging shareholder participation in meetings and may, in its sole discretion, elect to hold the Annual Meeting as a hybrid meeting or as an online only meeting if it considers there are potential risks to the health of meeting attendees or if an in-person meeting is prohibited by law, providing shareholders the ability to participate by attending the meeting physically or participating virtually by attending and voting online. In such circumstances, the Company will provide shareholders with as much notice as is reasonably practicable by way of an announcement to the NZX and ASX.

### Diversity and Inclusion Policy

The Company's Diversity and Inclusion Policy empowers and equips its people to foster a diverse, inclusive and competent workplace. The Company is global in its thinking, behaviours and people and passionately believes in fostering an inclusive culture because it is essential for diversity to thrive, and to enable its people to realise their potential.

The Company recognises that diversity encompasses but is not limited to gender, age, ethnicity and cultural background and aims to embed and maintain a strong diversity and inclusion framework within its systems and cultures including one which encourages and supports a workplace that embraces individual differences.

The Company is particularly focused on enhancing gender balance in the workforce, having set a target of a minimum of 40% women and 40% men in leadership positions, including the Board. The Company's metrics for gender representation can be found on page 27 of the Company's FY23 Annual Report.

### Securities Trading Policy

The Company's Securities Trading Policy applies to all directors, employees and contractors of the Company and their associates.

Under New Zealand and Australian legislation, the insider trading laws operate to prohibit people in possession of non-public price sensitive information from dealing in securities or passing on that information to other people who may deal in securities. The Company's policy is designed to protect directors, employees and their associates, as well as the Company's shareholders, against acts of insider trading that, either willingly or unknowingly, would disadvantage holders of the Company's securities and/or infringe insider trading laws.

The policy employs the use of blackout periods to restrict directors, officers, ELT members, and other senior leaders and their associates, together with other persons identified by the Company from time to time, from trading during times where sensitive, non-public information may be held. In addition, those persons must notify the Company in advance of any proposed dealing in the Company's securities.

Under the terms of the policy, directors, officers, ELT members and other senior leaders, and their associates are prohibited from entering into hedging transactions which operate to limit the economic risk of their securities in the Company (including under any equity-based remuneration scheme) without first obtaining written approval and must notify the Company and receive written clearance before engaging in any margin or securities lending arrangements or granting a security interest or other encumbrance over Company securities.

### Global Whistleblower Policy

The Global Whistleblower Policy reflects the legislative requirements on whistleblowing. An independent hotline service operated by an external professional services firm facilitates anonymous disclosures by employees and other stakeholders regarding any concerns that the Company or its people are failing to meet ethical or legal commitments. All material incidences reported under the Global Whistleblower Policy are reported to the Audit and Risk Management Committee.

### Global Anti-bribery and Anti-corruption Policy

The Company does not tolerate any form of bribery or corruption and is committed to ensuring that business is conducted according to ethical, professional and legal standards in a fair, honest and open manner. The Audit and Risk Management Committee is responsible for oversight of the Global Anti-bribery and Anti-corruption Policy.

### Responsible Sourcing Policy

The Responsible Sourcing Policy sets out the 'Minimum Standards' that the Company expects its suppliers to meet when conducting their businesses, covering labour, health, safety, the environment, and animal welfare. Suppliers are strongly encouraged to exceed these Minimum Standards and be active in advancing social and environmental responsibility and responsible business practices, and to replicate the Minimum Standards in their own supply chains.

In addition to the matters set out in this policy, the Company requires all its suppliers to comply with all applicable laws and regulations in all countries in which they operate, regarding labour, health, safety and the environment.

At a minimum, the Company seeks to include the supplier's compliance with the Minimum Standards as an obligation in any relevant supply contract, including a requirement that suppliers must notify the Company as soon as practical after the supplier becomes aware that it has, or a member of its group or a part of its supply chain has, contravened the Minimum Standards.

Suspected breaches of this policy will be investigated. Where breaches are identified, the general approach is to work with suppliers towards ensuring full compliance with the Minimum Standards. However, the Company may seek to terminate contractual arrangements or seek alternative supply sources if suppliers are unable or unwilling to work towards full compliance with the Minimum Standards, or where the non-compliance is of such a nature that ceasing association with the supplier is the most appropriate course of action.

This policy operates alongside other Company policies, including but not limited to the Code of Ethics and the Global Anti-Bribery and Anti-Corruption Policy.

### Modern Slavery Statement

Modern slavery is unacceptable and addressing risks of modern slavery is an important part of the Company's approach to business and human rights. The Company's approach to human rights and the management of modern slavery risk is guided by the United Nations Guiding Principles on Business and Human Rights. The Company is committed to continuing to develop its approach and focus on addressing modern slavery risks within its operations and supply chain.

Further detail regarding the Company's Modern Slavery programme and the steps taken to address modern slavery risks is discussed on page 29 of the Company's FY23 Annual Report.

The Company's Modern Slavery Statement for FY22, published in accordance with the *Modern Slavery Act 2018* (Cth, Australia) was issued on 12 December 2022, and is available on the Company's website at [www.thea2milkcompany.com/corporate-governance](http://www.thea2milkcompany.com/corporate-governance).

### Health and safety

The Company is committed to the health, safety and wellbeing of its people. This commitment starts with the Board. The directors visit the Company's sites, including to its manufacturing facilities, to gain first-hand understanding of the systems in place, and health and safety reports are reviewed at each Board meeting. Reporting focuses on the proactive identification and management of hazards in the workplace. When an injury or incident occurs, the Company seeks to identify the root causes and applies controls to eliminate, where reasonably practical, or minimise the associated risks. The Company's metrics for health and safety can be found on page 27 of the Company's FY23 Annual Report.

The Company's workplace health and safety regime includes:

- a framework to assist the Board and senior management with the identification, control, reporting, investigation and monitoring of health and safety risks to the Group;
- use of qualified external consultants to ensure compliance with relevant laws in each jurisdiction and to identify improvement opportunities;
- Board prioritisation of health and safety performance, facilitated through monthly formal review and Board updates, to ensure a strong focus on health and safety in the workplace is maintained; and
- health and safety training for team members.

### Indemnities and insurance

The Company has entered into an indemnity deed poll in favour of all directors and officers for potential liabilities to any person, other than the Company and its subsidiaries, which they may incur for acts or omissions in their capacity as directors and officers of the Company and its subsidiaries and costs incurred in defending or settling any claim or proceeding relating to any such liabilities. Directors' and officers' liability insurance is in place for directors and officers acting on behalf of the Company.

### Protocols in the event of a takeover offer

The Board has established protocols to be followed in the event of a takeover offer to assist directors and management with forming an appropriate response. The protocols include the establishment of a takeover committee, and rules relating to governance, conflicts and communications.



[thea2milkcompany.com](https://thea2milkcompany.com)