



# Corporate Governance Statement FY2023



# Corporate Governance Statement

## Corporate Governance at SunRice

This Corporate Governance Statement summarises Ricegrowers Limited's (trading as SunRice) (**we, SunRice** or the **company**) main corporate governance policies and outlines the extent to which the company's corporate governance policies and practices are consistent with the fourth edition of the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council (**ASX Recommendations**).

Consistent with prior years, the Board does not consider that all of the ASX Recommendations are appropriate for the company given the related provisions in our constitution regarding Board composition and shareholding requirements. SunRice has followed all of the ASX Recommendations during the financial year ended 30 April 2023 (**reporting period**), unless stated otherwise.

Copies of policies referred to in this Corporate Governance Statement and Board and Committee charters are available in the Corporate Governance section of the company's website at [www.sunrice.com.au](http://www.sunrice.com.au)

This Corporate Governance Statement is current as at 30 April 2023 and has been approved by the Board.

## SunRice FY2023 governance highlights

During FY2023, the Board's governance activities included:

- Continuing Board renewal and succession planning, including the appointment of John Bradford to the role of Deputy Chair;
- Supporting initiatives directed at increasing gender diversity on the Board, revising the skills matrix, and implementing a number of other recommendations arising out of the Board Skills and Composition Review;
- Overseeing the appointment of and transition planning for the new Chief Executive Officer, Paul Serra, following the announcement of Rob Gordon's decision to retire and step down from the Managing Director and Chief Executive Officer (**CEO**) role;

- Convening a General Meeting to determine the composition of the Board following the Rice Marketing Board elections;
- Reviewing and updating a number of key governance policies, including the Diversity, Equity & Inclusion Policy, the Risk Management Policy, Risk Appetite Statement, Treasury Policy, and the ESG Commitment (previously called the Sustainability Charter);
- Reviewing and updating the Board Charter, and the Charters for each of the Nomination Committee, the People & Remuneration Committee, the Grower Services Committee and the Finance Risk & Audit Committee;
- Approving the SunRice Group's long term sustainability targets in each of the six sustainability priority areas;
- Arranging Director visits to our Rice Research Farm, our Riverina mills, and our facilities in California (SunFoods) and Papua New Guinea (Trukai) and to Grower meetings in the Riverina; and
- Workshops on ESG reporting, whistleblowing, anti-bribery and corruption, occupational health & safety, modern slavery, directors' duties, workplace sexual harassment and cyber security.

## Our purpose, vision, values and behaviours

Corporate governance is of vital importance to the company and is undertaken with due regard to all of the company's stakeholders. We are committed to providing our stakeholders with credible, transparent and timely information as we seek to create and sustain value in all we do. This is supported by the SunRice Group's values, which inform our decisions from the top down and underpin our corporate culture.

Our values are set out below.

## Our values



### Integrity

We will always do the right thing



### Dynamic

We are fast, flexible and energetic



### Collaborative

We get better outcomes when we work as a team



### Innovative

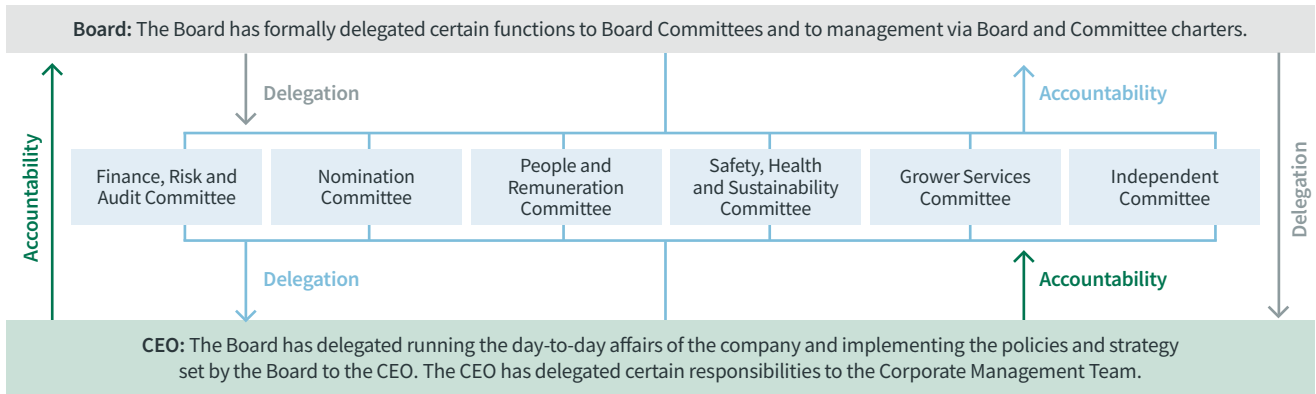
We constantly seek new ideas and better ways



### Community

We care deeply for the people and places that care for us

**Board Delegation and Accountability**



**Leadership and oversight**

The SunRice Board is committed to ensuring the Group’s corporate governance frameworks, policies and practices are of the highest standard. This commitment is delivered through continuous improvement and ensuring the Board has a sound understanding of current governance requirements and practices, as well as keeping abreast of emerging trends and changing stakeholder expectations.

**A) The Board and Corporate Management Team**

The Board is responsible for the governance of the company and oversees its operational and financial performance. The Board retains ultimate responsibility for the strategy, risk appetite and performance of the Group and has delegated responsibility for day to day management and implementation of the Board approved strategy and risk management policies to the CEO.

**B) The Board**

SunRice’s current Directors are set out on page 4. The names, qualifications, tenure and experience of all Board and Committee members and their attendance at Board and Committee meetings are included in the company’s Annual Report.

SunRice has written agreements with all Directors setting out the key terms of their appointment.

The Board has adopted formal written charters detailing the roles and responsibilities of the Board (including the matters expressly reserved to the Board) and each Committee, and management (through the CEO), to ensure these roles are clearly defined, separated and enable an effective process of evaluation.

**C) Standing Board Committees**

The Board has established six Committees and has delegated to each Committee duties to assist the Board in exercising its responsibilities and discharging its duties.

The Finance, Risk and Audit Committee is chaired by an independent Director and is comprised of a majority of independent Directors.

The composition of the Nomination Committee does not comply with ASX Recommendation 2.1 to the extent that it recommends that a nomination committee consists of a majority of independent Directors and is chaired by an independent Director. However, the Board believes that in the context of the current make-up and size of the Board, the perspective and expertise that the current members bring to the Committee is appropriate. Furthermore, the Chair is discharging his role effectively and brings valuable expertise and experience to that role.

**Composition of Board Committees as at 30 April 2023**

Director	Status	Finance, Risk & Audit Committee	People & Remuneration Committee	Nomination Committee	Safety, Health & Sustainability Committee	Grower Services Committee	Independent Committee
Laurie Arthur	Chair – Grower		●	Chair			
Rob Gordon	Chief Executive Officer						●
John Bradford	Deputy Chair & Non-executive Grower	●	●	●			
Luisa Catanzaro	Non-executive Non-Grower	Chair	●	●			●
Dr Andrew Crane	Non-executive Non-Grower	●			Chair		●
Ian Glasson	Non-executive Non-Grower	●	Chair	●			●
Ian Mason	Non-executive Grower				●	●	
Jeremy Morton	Non-executive Grower				●	●	
Dr Leigh Vial	Non-executive Grower				●	●	
Julian Zanatta	Non-executive Grower	●				Chair	

The composition of the People and Remuneration Committee does not comply with ASX Recommendation 8.1 to the extent that it recommends that a remuneration committee consists of a majority of independent Directors. However, the Board believes that, in the context of the current make-up and size of the Board, the perspective and expertise that the current members bring to the Committee is appropriate. The Chair of the Committee (who is an independent Director) has a casting vote in addition to a deliberative vote.

The Independent Committee (previously called the A Class Share Committee) is comprised of the Independent Non-Grower Directors. It meets as required to address matters impacting A Class Shareholders where Grower Directors may be conflicted, including all A Class Share applications and redemptions. During the reporting period, it was actively involved in implementing the A Class Share Proposal (which was approved by shareholders at the 2021 Annual General Meeting) and applying the new criteria attached to A Class shares.

Each Committee regularly reports to the Board on all matters relevant to the Committee's roles and responsibilities and to ensure cross-committee information sharing. Board members also have access to the minutes of Committee meetings.

The number of times each Committee met during FY2023 is set out on page 51 of the 2023 Annual Report.

The members of each committee can be found on page 2 (Composition of Board Committees) and the role of each Committee is set out in the table below.

Each Committee has a separate charter that sets out the conduct, objectives and proceedings of that Committee, as well as the membership and any other requirements for the running of the Committee. More information about the Committees can be found in their charters. An overview of the roles and responsibilities of the Committees is set out below.

COMMITTEE	ROLES AND RESPONSIBILITIES INCLUDE
<b>Finance, Risk and Audit Committee</b>	<ul style="list-style-type: none"> <li>Monitoring the Group's Risk Appetite, risk management framework and any material exposures regarding environmental/climate change and social risks and how those risks are, or will be, managed.</li> <li>Monitoring the adequacy of the processes in place to verify the integrity of any periodic report that is released on ASX and not audited or reviewed by the external auditor.</li> <li>Receiving regular updates from management about compliance matters that may have a material impact on the company.</li> <li>Conducting annual budget reviews for recommendation to the Board.</li> </ul>
<b>People &amp; Remuneration Committee</b>	<ul style="list-style-type: none"> <li>Reviewing the Group's remuneration strategy and framework and policies for non-executive directors (NEDs), the CEO and senior executives.</li> <li>Reviewing and monitoring diversity and inclusion policies, frameworks and strategies across the Group.</li> <li>Overseeing and reviewing the succession plan for the CEO, the CEO's direct reports and other critical roles.</li> </ul>
<b>Nomination Committee</b>	<ul style="list-style-type: none"> <li>Developing and applying the selection and performance criteria having regard to the mix of skills, experience, diversity and other attributes of (other) existing NEDs and how the candidate balances and complements (other) existing NEDs.</li> <li>Overseeing the process for evaluation of the Board, Board Committees and individual NEDs, including the Board's and Committees' performance relative to its charter.</li> </ul>
<b>Safety, Health &amp; Sustainability Committee</b>	<ul style="list-style-type: none"> <li>Providing oversight and guidance to management on the SunRice Sustainability Strategy and its effectiveness in addressing material topics identified by stakeholders.</li> <li>Ensuring that the Board exercises due diligence in supporting the commitment of the SunRice Group to meet its obligations under all applicable work, health and safety and environmental legislation.</li> <li>Reviewing the effectiveness of SunRice's policies, programs and initiatives designed to ensure compliance with legislative and regulatory obligations, environmental sustainability and the minimisation of the company's impact on the environment.</li> <li>Monitoring SunRice's activities to ensure they are directed towards developing a secure and ethical supply chain and increasing traceability within our Australian and international supply chains.</li> </ul>
<b>Grower Services Committee</b>	<ul style="list-style-type: none"> <li>Ensuring the development, implementation and continuous improvement of policies and procedures that relate to on farm production of rice, harvest management and provision of payments and services to growers.</li> </ul>
<b>Independent Committee</b>	<ul style="list-style-type: none"> <li>Assisting the Board in discharging its responsibilities on matters in which Grower Directors may have an actual or perceived conflict of interest, such as crop planning decisions, determinations as to "critical years" and determinations as to whether fixed price contracts need to be offered for the entire volume of Riverina rice grown in a specific crop year.</li> <li>Undertaking annual reviews to determine if there are persons who ought to be invited to apply for an A Class Share and making recommendations to the Board on the issue of A Class Shares to applicants.</li> <li>Making recommendations to the Board, as required, including in relation to formulating the manner in which paddy prices for Riverina Rice will be determined.</li> </ul>

## SunRice Directors



### Laurie Arthur

**Chair**  
**Non-executive Director**  
**Grower**

Appointed in 2007  
Status: Non-independent



### Ian Mason

**Non-executive Director**  
**Grower**

Appointed in 2018  
Status: Non-independent



### Rob Gordon

**Chief Executive Officer**  
**Executive Director**  
**Non-Grower**

Appointed in 2012  
Status: Non-independent (Executive)



### Jeremy Morton

**Non-executive Director**  
**Grower**

Appointed in 2019  
Status: Non-independent



### John Bradford

**Deputy Chair**  
**Non-executive Director**  
**Grower**

Appointed in 2015  
Status: Non-independent



### Dr Leigh Vial

**Non-executive Director**  
**Grower**

Appointed in 2015  
Status: Non-independent



### Luisa Catanzaro

**Non-executive Director**  
**Non-Grower**

Appointed in 2018  
Status: Independent



### Julian Zanatta

**Non-executive Director**  
**Grower**

Appointed in 2019  
Status: Non-independent



### Dr Andrew Crane

**Non-executive Director**  
**Non-Grower**

Appointed in 2018  
Status: Independent



### Kate Cooper

**Company Secretary**

Appointed in 2020



### Ian Glasson

**Non-executive Director**  
**Non-Grower**

Appointed in 2016  
Status: Independent



#### D) The Chair

The Chair of the Board, Mr Laurie Arthur, is a Non-executive Director and a resident Australian citizen. The Chair is responsible for leading the Board and managing the Board's functions and performance in accordance with the Board Charter. The Chair's responsibilities are set out in more detail in the Board Charter. While the Chair is not an independent Director as recommended by ASX Recommendation 2.5, the Board considers that the Chair is discharging his role effectively and provides valuable expertise and experience as Chair.

#### E) The CEO

The CEO, Mr Rob Gordon, is responsible for the day-to-day management and implementation of Board approved strategy and risk management policies. The CEO, through delegations of authority and effective reporting to the Board, is accountable to the Board. Further details on the role of the CEO are provided in the Board Charter.

#### F) Corporate Management Team

Members of the Corporate Management Team support the CEO in managing the company through delegations of authority from the CEO. The company undertakes appropriate background checks before appointing a person as a member of the Corporate Management Team.

#### G) Company Secretary

The Company Secretary is appointed and removed by the Board and reports to and is accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board and Board Committees. Further details on the Company Secretary are provided on pages 49 and 52 of the Directors' Report within our Annual Report.

## Board governance and performance

#### A) Succession Planning and Appointment Process

Board composition requirements are set out in the company's Constitution. Under transitional provisions in the Constitution which remain in force until the 2023 Annual General Meeting (AGM), the SunRice Board is to comprise of up to 10 Directors, including up to six Directors who are A Class Shareholders (two of whom are elected members of the Rice Marketing Board) and up to four Directors who are persons with appropriate experience to be appointed as a Director (one of whom may be an employee of the company, such as the CEO). The elected members of the Rice Marketing Board are appointed to the Board following their election to the Rice Marketing Board. During the reporting period, a General Meeting was held to confirm the Rice Marketing Board appointments (Mr Ian Mason and Mr John Bradford) to the SunRice Board. After the 2023 AGM, the Board will be further reduced in size to 9 Directors, by reducing the number of Grower Directors from six to five.

The procedure for the selection and appointment of new Directors and the re-election of incumbent Directors, and the Board's policy for the nomination and appointment of Directors, is set out in the Nomination Committee Charter and the Constitution.

Prior to the election or re-election of any Director candidate, the company provides shareholders with all material information in the company's possession that is required to support an informed decision by shareholders. The company undertakes appropriate background checks before appointing a person, or putting forward to shareholders a candidate for election or re-election, as a Director.

### B) Board Skills Matrix

Within the constraints of the company’s Constitution, the company aims to achieve a mix of rice industry knowledge, finance and risk management and other business skills among the Directors to lead and monitor the company as well as protect the interests of A Class and B Class shareholders. The table below sets out the range of skills identified as important for the Board and the current number of Directors that have been assessed as having that skill. The skills matrix is refreshed regularly by the Board.

### Board Skills Matrix

Skills	Experience and knowledge	Board strength
<b>Corporate Leadership</b>	Senior executive leadership and operations skills and experience in large, complex, and distributed corporate and/or ASX-listed companies.	
<b>Commercial Leadership</b>	Commercial skills and acumen, entrepreneurship, and agile experience leading businesses in dynamic environments.	
<b>Strategic Planning</b>	Experience in corporate strategic planning and development to create long term shareholder value, including deriving value from mergers, acquisitions, and partnerships.	
<b>Research and Development</b>	Experience in commissioning and managing research and development for commercial and competitive purposes.	
<b>Corporate Finance</b>	Proficiency in finance and accounting for ASX-listed companies; financial acumen and literacy; M&A and capital raising expertise; knowledge of financial governance systems and monitoring.	
<b>Consumer and Marketing</b>	Knowledge of and experience in consumer marketing, product and brand development and segmentation, and data analysis.	
<b>People and Culture</b>	Experience in C-suite performance management and remuneration, organisational development, human capital and WHS management, and industrial relations.	
<b>Risk and Compliance</b>	Experience in balancing commercial imperatives and risk; knowledge of risk management and compliance systems for ASX-listed and regulated companies.	
<b>Technology and Digital</b>	Knowledge of technology and digital systems; experience in developing IT strategy, managing digital transformation and system delivery, IT governance, regulatory requirements, and risk.	
<b>Stakeholder Management</b>	Experienced in stakeholder management, engagement, and advocacy with relevant stakeholders.	
<b>Corporate Governance</b>	Chair and Director experience; ASX-listed board and regulatory experience; knowledge of contemporary governance standards and practices including ESG and investment governance.	
<b>Sector Experience</b>	Contemporary FMCG, rice and agribusiness, and related international markets experience across the food industry value chain.	

Proficient Practiced Developing N/A

### C) Board, Committee and Director Performance Evaluation

SunRice has an established practice of regular performance reviews, covering the Board as a whole, Committees and individual Director contributions. During the reporting period, the company completed the key items arising from the focused FY2022 Board Skills and Composition Planning Review. This review was conducted by an external service provider. A Board, Committee and individual director performance review was not undertaken in FY2023. However, a further review is scheduled for FY2024.

All Directors have completed the Company Directors Course run by the Australian Institute of Company Directors and, where relevant, have either undertaken, or agreed to undertake, the Company Directors Course Update. Programs are in place to ensure Directors are provided with updates on corporate governance, ESG strategy and reporting requirements, directors' duties, cyber risk, workplace health and safety (including psycho-social risk) and other relevant legal and regulatory requirements.

Directors are satisfied with the role and performance of the Board, and with the program for ongoing development.

### D) Director Independence

The independence, relevant skills, experience and expertise held by each Director in office are provided in the company's Annual Report.

The company's three independent Directors are Luisa Catanzaro, Andrew Crane and Ian Glasson. The remaining seven Directors, who include the Chairman of the Board (who is not the same person as the CEO), are not considered independent.

The Board considers a Director to be independent only where they are free of any interest, position or relationship that might influence, or reasonably be perceived to influence in a material respect, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the company and its shareholders generally as a whole, rather than in the interest of an individual shareholder or other party.

In accordance with the commentary to the ASX Recommendations, a Director who is employed in an executive capacity by the company or any of its subsidiaries will not be an independent Director. In other respects, the Board has not set materiality thresholds, considering it more effective to assess relationships on the individual circumstances applicable on a case-by-case basis, and where appropriate with the assistance of external advice.

The Board regularly reviews the independence of each Non-executive Director. Each Non-executive Director is required to provide to the Board all information that may be relevant to this assessment. All Directors are required to disclose to the Board any conflict of interest or duty and any material personal interest in any matter that relates to the affairs of the company.

As noted above (under A) Succession Planning and Appointment Process), the Constitution requires that the Board be comprised of up to four Directors who are A Class Shareholders and up to two elected members of the Rice Marketing Board (who are also A Class Shareholders). Currently, six out of ten Directors are A Class Shareholders.

Directors who are A Class Shareholders supply rice to the company on the same terms as other rice suppliers.

The Board recognises that there may be a perception that the rice supply relationship between the company and these Directors

may influence their decision-making, so they are not characterised as independent. However, the company's procedures and systems (including the role of the Independent Committee) ensure that the paddy price is set according to the commercial interests and needs of the company and the Board considers that these Directors are in practice able to bring an independent judgment to bear on Board decisions.

The CEO is an executive employee and is therefore not characterised as independent.

### E) Education and Training

The company has a program in place for inducting new Directors, and providing appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

Directors have access to Management and external and internal audit to seek explanations and information, if required.

Directors can also seek independent professional advice they consider necessary to fulfil their responsibilities and to exercise independent judgement when making decisions. If the Chair of the Board consents, the Group will pay a Director's costs of seeking such advice. That consent may not be unreasonably withheld or delayed. Copies of the advice must be made available to, and for the benefit of, all Board members, unless the Chair agrees otherwise.

## Diversity, equity and inclusion at SunRice

The SunRice Group recognises that the wide array of perspectives resulting from a workplace that is diverse in gender, age, ethnicity, and cultural background promotes a culture of creativity and innovation and benefits SunRice's shareholders, customers, suppliers and other stakeholders, and creates engagement across the Group.

The SunRice Group's commitment to achieving greater Diversity, Equity and Inclusion is focussed on accountability, trust and building a respected brand. The SunRice Group's commitment to achieving greater Diversity, Equity and Inclusion consists of the following guiding principles and actions:

Our Principles	Actions We Are Taking
We role model inclusive and respectful workplace behaviours always	<b>Raising Awareness</b> We offer development programs to raise awareness of the importance of Diversity, Equity and Inclusion and to ensure everyone is treated fairly and with respect.
We want our workforce to reflect the communities in which we operate	<b>Making a Difference in our Local Communities</b> We make a difference in our local communities by investing in and recruiting local talent.
We set our people up so they can successfully manage the demands of work, life, and family	<b>Developing Hybrid Work Practices</b> We maximise our productivity and create an environment for our people to thrive by adopting hybrid work practices.
We believe there should be equal representation in leadership roles	<b>More Women in Leadership Roles</b> We aim to continue to increase the number of women in leadership roles and ensure our leaders reflect the diversity of our communities.





SunRice Group Assistant Brand Manager **Eloise Laws** and National Account Manager **Aylwin Mathews**

Across the Group, the respective proportions of male and female employees on the Board, in Senior Executive positions and across the business (reported at a global level) are illustrated in the tables below and current as at 30 April 2023.

#### Proportion of women on the Board

	FY2023	FY2022
<b>10%</b>	FY2023	90%
<b>10%</b>	FY2022	90%
	FY2023	FY2022
<b>Women</b>	<b>10%</b>	<b>10%</b>
<b>Men</b>	<b>90%</b>	<b>90%</b>
<b>Number of women</b>	<b>1</b>	<b>1</b>
<b>Number of men</b>	<b>9</b>	<b>9</b>

#### Proportion of women in Senior Executive<sup>1</sup> positions in the Group

	FY2023	FY2022
<b>25%</b>	FY2023	75%
<b>25%</b>	FY2022	75%
	FY2023	FY2022
<b>Women</b>	<b>25%</b>	<b>25%</b>
<b>Men</b>	<b>75%</b>	<b>75%</b>
<b>Number of women</b>	<b>2</b>	<b>2</b>
<b>Number of men</b>	<b>6</b>	<b>6</b>

#### Proportion of women employees across the Group

	FY2023	FY2022
<b>27.6%</b>	FY2023	72.4%
<b>26.6%</b>	FY2022	73.4%
	FY2023	FY2022
<b>Women</b>	<b>27.6%</b>	<b>26.6%</b>
<b>Men</b>	<b>72.4%</b>	<b>73.4%</b>
<b>Number of women</b>	<b>586</b>	<b>548</b>
<b>Number of men</b>	<b>1540</b>	<b>1511</b>

#### Proportion of women in Senior Management<sup>2</sup> positions

	FY2023	FY2022
<b>45.2%</b>	FY2023	54.8%
<b>42%</b>	FY2022	58%
	FY2023	FY2022
<b>Women</b>	<b>45.2%</b>	<b>42%</b>
<b>Men</b>	<b>54.8%</b>	<b>58%</b>
<b>Number of women</b>	<b>28</b>	<b>25</b>
<b>Number of men</b>	<b>34</b>	<b>35</b>

1. Senior Executive includes the Group CEO and other members of the Corporate Management Team.

2. Senior Management includes Senior Executives and their direct and indirect reports, who have responsibility for creation and implementation of long term strategy, autonomy to operate and/or leadership responsibilities.

The Board has adopted a Diversity Equity & Inclusion Policy, which outlines the process of setting, evaluating and reporting on diversity objectives. The Board intends to review and refresh the diversity measurable objectives in FY2024. The following table summarises SunRice’s achievements against measurable objectives in FY2023.

OBJECTIVE	INITIATIVES AND FY2023 OUTCOME
<p><b>Continue to focus on increasing the representation of women in all senior management roles to 40%</b></p>	<p><b>Increased gender balance</b></p> <ul style="list-style-type: none"> <li>• 45% of senior management roles<sup>3</sup> are now held by women, 5% ahead of the target.</li> <li>• Managed the recruitment of vacant roles to ensure that every interview short list has a representation of women, where possible.</li> <li>• Supported and co-hosted (along with the Ricegrowers Association of Australia, the Rice Marketing Board and AgriFutures) the “Women In Rice” forum aimed at building a stronger, more diverse Australian Rice industry (including through identifying and developing female candidates for the SunRice Board) with around 20 female leaders/potential leaders from the Riverina participating.</li> <li>• Celebrated International Women’s Day by inviting employees across the Group to hear a keynote address from Captain Mona Shindy CSC and engage in activities which support female-focused charities and broadened understanding of gender equality and equity.</li> </ul> <p>Further information on the company’s Gender Equality Indicators is available from the Workplace Gender Equality Agency website at <a href="http://www.wgea.gov.au">www.wgea.gov.au</a> or from the Sustainability Reporting section of the company’s website.</p>
<p><b>Promote flexible ways of working to encourage diversity within SunRice</b></p>	<ul style="list-style-type: none"> <li>• Continued our <b>Staying Connected and Collaborative</b> series to support employee engagement.</li> <li>• Conducting a pulse survey to help inform our refreshed Flexible Working Guidelines.</li> </ul>
<p><b>Implement gender and other inclusion initiatives</b></p>	<ul style="list-style-type: none"> <li>• Continued to support talented women who demonstrate a passion for and commitment to the rice industry through the Jan Cathcart Memorial Scholarship Program, now in its ninth year.</li> <li>• Continued our membership of Grow Our Own (GOO) in Western Riverina (NSW). GOO seeks to inspire young people with opportunities to live, work and learn in the Riverina, and provides a platform to showcase career pathways within SunRice.</li> <li>• Continued to partner with the Clontarf Foundation in support of their Academy at Narrandera High School. This foundation’s purpose is to improve the education, discipline, life skills, self-esteem and employment prospects of young Aboriginal and Torres Strait Islander men to participate in traineeship (or work experience) programs.</li> <li>• Continued corporate membership of National Association of Women In Operations (NAWO), the chief body representing women in operations including the offer of mentorships for our women.</li> </ul>

3. Senior Management includes Senior Executives and their direct and indirect reports, who have responsibility for creation and implementation of long term strategy, autonomy to operate and/or leadership responsibilities.

## Ethical and responsible conduct at SunRice

All Directors, Senior Management and employees of the SunRice Group are expected to act with the utmost integrity and objectivity, striving to enhance the reputation and performance of the company.

The Board has an approved Code of Conduct for Directors and employees, as well as Speak Up, Anti-bribery and Corruption and Share Trading Policies.

### A) Group Code of Conduct

The Board recognises the company's legal and commercial obligations to all legitimate stakeholders, and this is formally recognised in the SunRice Code of Conduct which applies to all Board members, officers, employees and contractors of the company. All staff who join the SunRice Group receive training on key aspects of the Code of Conduct. Existing staff also receive periodic training on these aspects of the Code of Conduct. Our Finance, Risk and Audit Committee is informed of any material breaches of the Group Code of Conduct.

### B) Speak Up Policy

We are committed to complying with all applicable laws, strong corporate governance and high standards of conduct across our business, including the SunRice Group's interactions with employees, contractors, customers, suppliers, the community, other stakeholders and the environment in which the SunRice Group operates. During the reporting period, we continued to monitor the effectiveness of our Speak Up reporting mechanism by improving accessibility for overseas employees and encouraging its use to report on any modern slavery risks.

Our Speak Up Policy is designed to:

- **Encourage, protect and support** the reporting of misconduct, irregularities or any other behaviour which is corrupt or illegal;
- Establish a **transparent and effective reporting** and investigation mechanism to encourage disclosures of wrongdoing in a safe, secure and timely manner; and
- **Protect individuals** who report a wrongdoing from detrimental treatment by any person internal or external to the SunRice Group.

Our Finance, Risk and Audit Committee is informed of any material incidents reported under the Speak Up Policy.

### C) Anti-Bribery and Corruption Policy

An integral part of our business culture is to behave in a responsible, honest and ethical way when dealing with all of our stakeholders (customers, suppliers, employees, consumers and the community). Our anti-bribery and corruption framework is based on a 'zero tolerance' approach. Our Finance, Risk and Audit Committee is informed of any material breaches of the Anti-Bribery and Corruption Policy.

### D) Share Trading Policy

The Share Trading Policy applies to all Directors, executives, employees, consultants and professional advisers of the company.

The policy specifies the periods during which the Directors and executives of the company may purchase and sell the company's securities, and sets out a notification procedure concerning trading by Directors. The company's Share Trading Policy prohibits Directors and executives from trading in financial products issued or created over the company's securities by third parties, or trading in associated products. The Policy also prohibits Directors and executives from entering into any transaction that operates to limit the economic risk of their security holding in the company.

## Shareholder communication and engagement

### A) Disclosure and Communication Policy

The company has adopted a Disclosure and Communication Policy. This policy outlines corporate governance measures adopted by the company to deliver on its commitments to the disclosure and communication of information concerning the company.

The company is committed to the objective of promoting investor confidence and protecting investor rights. This means complying with continuous disclosure obligations imposed by law; ensuring that company announcements are presented in a factual, clear and balanced way; ensuring that investors have equal and timely access to material information concerning the company, and communicating effectively with investors.

Under this policy, the company has approved the establishment of a Disclosure Committee to manage its disclosure obligations. The Disclosure Committee's responsibilities include assessing the possible materiality of information which is potentially price sensitive, making decisions on information to be disclosed to the market, referring any announcements which the Disclosure Committee considers to be a matter of key significance to the Board for consideration, and monitoring disclosure processes and reporting. The Board receives copies of all material market announcements promptly after they have been made.

SunRice's Disclosure and Communication Policy promotes effective communication with all stakeholders, including shareholders, to assist them in making informed decisions and to encourage effective participation. Communication initiatives undertaken by the company include regular business updates, grower and investor briefings, media announcements, and the company website at [www.sunrice.com.au](http://www.sunrice.com.au)

Relevant information released to the market by the company is posted on the company's website after the information has been given to the ASX and the ASX has confirmed the release of this information to the market. This includes any new and substantive investor or analyst presentations, which are released on the ASX before the presentation is delivered.

All recent company announcements, media releases, details of company meetings and annual reports are available on the company's website. The company's website also provides general information about the company and its governance.

The company has a range of investor relations strategies to facilitate effective two-way communication with investors. Shareholders of the company have the option to receive communications from, and send communications to, the company and its security registry electronically.

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## B) General and class meetings

The company encourages its shareholders to participate at general and class meetings. All shareholders are entitled to attend all general and class meetings of the company, including meetings at which they are not entitled to vote.

All Board members are expected to attend general and class meetings of the company. The external auditor also attends the company's AGMs and is available to answer questions from A Class Shareholders relevant to the audit.

SunRice conducts voting on all substantive resolutions at general and class meetings on a poll, ensuring that voting outcomes reflect proportionate holdings of all shareholders who vote (whether in person or by proxy or other representative).

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## C) Verification of periodic corporate reports

SunRice has a process in place that is designed to ensure periodic corporate reports are accurate and balanced in order to provide investors with appropriate information to make informed investment decisions. The Remuneration Report and Financial Report in the Annual Report are audited by SunRice's external auditor. In addition, any periodic corporate reports that are not audited or subject to review by the auditor are internally verified by the individual responsible for the relevant content, including by reference to source material. The executive responsible for the relevant area also reviews and approves the content. Confirmations are given regarding the accuracy and completeness of the information.

## Risk and safeguarding integrity in financial reporting

The Finance, Risk and Audit Committee meets regularly with the internal and external auditors, without Management present, to review the scope and adequacy of their work and to consider the implementation of recommendations from the audit processes.

The Committee conducts a formal assessment of the external auditor's performance annually and reports the outcome to the Board. The Committee also meets with the external auditor to discuss audit planning matters, statutory reporting and, as required, for any special reviews or investigations deemed necessary by the Board.

A comprehensive policy dealing with non-audit services was reviewed, updated and approved by the Board during FY2022 and remained in place during the reporting period. Adherence to the policy is closely monitored by the Finance, Risk and Audit Committee.

A copy of the company's External Auditor Independence Policy is available on the company's website at [www.sunrice.com.au](http://www.sunrice.com.au)

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## A) Risk Management Framework

The Board oversees the establishment, implementation and compliance with the company's risk management framework, the objective of which is to identify, assess, monitor and manage strategic, operational, financial and compliance risks in line with the defined risk appetite.

The Finance, Risk and Audit Committee assists the Board in discharging its risk oversight role. The conduct, objectives and proceedings of this Committee are governed by a charter, approved by the Board. The Finance, Risk and Audit Committee conducts periodic and regular reviews of the company's risk management framework at least annually to satisfy itself that the risk management framework continues to be sound and that the company is operating with due regard to the risk appetite set by the Board.

Management has reported to the Finance, Risk and Audit Committee and the Board on the effectiveness of the risk management and internal control system during the year, and of the company's management of its material business risks.

The company has established a well-documented system of internal controls that take account of key business exposures. The system is designed to provide reasonable assurance that assets are safeguarded, proper accounting records are maintained and financial information is timely and reliable.

The company has implemented insurance arrangements and regularly evaluates the economic balance between self-insurance of risks and risk transfer.

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## B) Internal Audit Function

The internal audit function, which is wholly independent from the external audit function, plays a key role in providing an objective and continuing assessment of the effectiveness of the company's internal control systems. It ensures information is reliable and has integrity, operations are efficient and effective, and policies and regulations are adhered to.

The internal audit function carries out risk-based audits on matters approved by the Finance, Risk and Audit Committee. Those audits are initially defined in an annual plan which is periodically reassessed throughout the year to ensure topics remain relevant to known and emerging risks. If required, the audit plan is adjusted to incorporate new activities. The Committee monitors the program and reviews internal audit reports and assesses the performance of the internal audit function.

The internal audit function is outsourced. The internal audit function has direct access to the Finance, Risk and Audit Committee, and to the Board.

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## C) Assurance

Before approving the company's full year financial statements, the Board receives a declaration from the CEO and the CFO. The declaration states that in their opinion, the financial records of SunRice have been properly maintained, and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of SunRice, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

#### D) Environmental And Social Risk

The Board and management have identified a number of risks that are relevant to SunRice. The company's approach to identifying risks and the key risks and responses are included in the 2023 Annual Report on pages 40–45. This includes any environmental and social risks related to SunRice and an explanation of how we manage or intend to manage those risks. The company's approach to sustainability is also included in the 2023 Annual Report on pages 28–37 and on the company's website at [www.sunrice.com.au](http://www.sunrice.com.au)

### Remuneration, culture and performance

#### A) Group Remuneration

Information about the company's remuneration policies for executives and Directors is set out in the Remuneration Report in the company's Annual Report on pages 56–73. Senior Executives are provided with at-risk remuneration that is aligned with the strategic objectives, values and culture of SunRice. In comparison, Non-executive Directors are not provided with any at-risk remuneration. Please refer to the Remuneration Report for further information.

#### B) Performance Assessment – CEO and Senior Executives

SunRice has established processes for evaluating the performance of its Corporate Management Team. In summary, each member of the Corporate Management Team is evaluated against the achievement of pre-agreed performance objectives. The evaluation process is conducted annually and is considered in setting the remuneration of the relevant executive.

Detailed information regarding the company's remuneration practices and key management contracts is provided in the Remuneration Report in the company's Annual Report. SunRice has written agreements with all Corporate Management Team members setting out the key terms of their employment.

An evaluation of the Corporate Management Team has taken place during the reporting period in accordance with the processes described above.

