



# Corporate Governance Statement **FY2022**

*Hart & Soul*

# 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 2022 (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 2022 and has been approved by the Board.

## SunRice FY2022 governance highlights

SunRice made significant investments in governance during the reporting period, including:

- Realigning the remits of our Board Committees, through allocating formal responsibility for sustainability to the Safety, Health and Sustainability Committee (previously the Safety Health and Environment Committee) and adopting a new charter for this Committee;
- Adopting a charter for the Independent Committee (previously referred to as the A Class Share Committee), to reflect this Committee's important role in supporting the Board in matters where the Grower Directors may have an actual or perceived conflict of interest;
- Refreshing the composition of each Committee to ensure that the Committees continue to operate effectively and provide Directors with ongoing opportunities to continue to develop their expertise and experience;

- Conducting a Board Skills and Composition Review, through an external provider;
- Reviewing and updating a number of key governance policies, including the A Class Share Policy, Conflict of Interest Policy, Speak Up Policy, Diversity, Equity and Inclusion Policy, Delegation of Authority and Contract Execution Policy, Dividend Distribution Policy, External Auditor Independence Policy, Work Health & Safety Policy, Paddy Pricing Policy, Crop Carryover Policy, and Environmental Policy. New policies implemented include the Chain of Responsibility Policy and a Minimum Shareholding Policy;
- Adopting a new Employee Incentive Plan, a new Non-executive Director Share Plan, and updating the Dividend Reinvestment Plan;
- Releasing our annual Modern Slavery Statement and continuing to implement our Supplier Sustainability Code;
- Completing climate scenario planning across the SunRice Group to identify risks and opportunities in response to the Task Force for Climate-related Financial Disclosures;
- Hosting a series of grower meetings across the Riverina for the Directors to engage with growers around the changes to the A Class Share criteria, and more recently, the composition of the SunRice Board following the Rice Marketing Board elections;
- Conducting a Stakeholder Management review;
- Arranging Director site visits to our Rice Research Farm, our Riverina mills and to our SunFoods mill in California; and
- Refreshing our purpose, vision, values and behaviours.

## 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 SunRice'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



## 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 Chief Executive Officer (CEO).

### B) The Board

SunRice's current Directors are set out on the following page. 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.

The SunRice Group 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.

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. 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.

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 evaluating the A Class Share Proposal (which was put to shareholders at the 2021 Annual General Meeting) and, once this special resolution was passed, recommending a governance framework around the new A Class Share criteria to the Board.

Each Committee regularly reports to the Board on all matters relevant to the Committee's roles and responsibilities. The number of times each Committee met during FY2022 is set out on page 66 of the 2022 Annual Report. The members and role of each Committee are set out in the table below.

**Composition of Board Committees**  
as at 30 April 2022

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	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	

## SunRice Directors



### Laurie Arthur

**Chair and Non-executive Director  
Grower**

Appointed in 2007  
Status: Non-independent



### Ian Glasson

**Non-executive Director  
Non-Grower**

Appointed in 2016  
Status: Independent



### Rob Gordon

**Chief Executive Officer  
Non-Grower**

Appointed in 2012  
Status: Non-independent  
(Executive)



### Ian Mason

**Non-executive Director  
Grower**

Appointed in 2018  
Status: Non-independent



### John Bradford

**Non-executive Director  
Grower**

Appointed in 2015  
Status: Non-independent



### Jeremy Morton

**Non-executive Director  
Grower**

Appointed in 2019  
Status: Non-independent



### Luisa Catanzaro

**Non-executive Director  
Non-Grower**

Appointed in 2018  
Status: Independent



### Dr Leigh Vial

**Non-executive Director  
Grower**

Appointed in 2015  
Status: Non-independent



### Dr Andrew Crane

**Non-executive Director  
Non-Grower**

Appointed in 2018  
Status: Independent



### Julian Zanatta

**Non-executive Director  
Grower**

Appointed in 2019  
Status: Non-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 function 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 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 page 70 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. Accordingly, at a General Meeting in June 2022, two elected Rice Marketing Board Directors were appointed to the SunRice Board. Following the 2023 AGM, the Board will be further reduced in size to nine Directors, by reducing the number of Grower Directors 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.

### Skills, experience and knowledge of Directors

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, mergers and acquisitions 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 work health and safety 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>	Experience 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 environmental, social and governance (ESG) factors and investment governance.	
<b>Sector Experience</b>	Contemporary FMCG, rice, agribusiness, and related international markets experience across the food industry value chain.	

Developing Practiced Proficient

## 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 comprehensive review of the performance of the Board, each standing Committee and each individual Director, that had been commenced in FY2021; and
- conducted a focused Board Skills and Composition Planning Review (**FY2022 Board Review**).

These reviews were conducted by external service providers.

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 currently in place, and will be further formalised and targeted in light of the recommendations of the FY2022 Board Review, to ensure Directors are provided with updates on corporate governance, environmental, social and governance strategy, directors' duties, workplace health and safety 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 independent status, 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 Chair 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. In addition, 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 earlier 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 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. As noted earlier, this program is being enhanced to capture specific opportunities identified in the FY2022 Board Review.

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 and inclusion at SunRice

SunRice 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 shareholders, customers, suppliers, and our other stakeholders, and creates engagement in our organisation.

SunRice's commitment to achieving greater Diversity, Equity and Inclusion is focussed on accountability, trust and building a respected brand. SunRice's commitment to achieving greater Diversity, Equity and Inclusion consists of the following guiding principles and actions, which were refreshed in FY2022:

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 women reflect the diversity of our communities.



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.

#### Proportion of women on the Board

	FY2022	FY2021
<b>Women</b>	<b>10%</b>	<b>18.2%</b>
<b>Men</b>	<b>90%</b>	<b>81.8%</b>
<b>Number of women</b>	<b>1</b>	<b>2</b>
<b>Number of men</b>	<b>9</b>	<b>9</b>

#### Proportion of women employees across the Group

	FY2022	FY2021
<b>Women</b>	<b>26.6%</b>	<b>27.8%</b>
<b>Men</b>	<b>73.4%</b>	<b>72.2%</b>
<b>Number of women</b>	<b>548</b>	<b>543</b>
<b>Number of men</b>	<b>1511</b>	<b>1410</b>

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

	FY2022	FY2021
<b>Women</b>	<b>25%</b>	<b>10%</b>
<b>Men</b>	<b>75%</b>	<b>90%</b>
<b>Number of women</b>	<b>2</b>	<b>1</b>
<b>Number of men</b>	<b>6</b>	<b>9</b>

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

	FY2022	FY2021
<b>Women</b>	<b>42%</b>	<b>40%</b>
<b>Men</b>	<b>58%</b>	<b>60%</b>
<b>Number of women</b>	<b>25</b>	<b>23</b>
<b>Number of men</b>	<b>35</b>	<b>34</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 and Inclusion Policy, which outlines the process of setting, evaluating and reporting on diversity objectives. The following assessment of achievements to date against the measurable objectives in FY2022 demonstrates SunRice's ongoing commitment to inclusion and diversity.

#### FY2022 Objective Initiatives and Outcome

**Continue to focus on increasing the representation of women in all leadership roles to 40% by FY2022 and in line with our 2024 Growth Strategy**

##### Increased Gender Balance

- 42% of Senior Management roles are now held by women, ahead of our FY2022 goal.
  - We continue to proactively manage the recruitment of vacant roles to ensure that every interview short list has a representation of women, where possible.
  - We celebrated International Women's Day, a global day celebrating the social, economic, cultural and political achievements of women, by inviting everyone across the Group to hear from a panel of SunRice women talking about their career journeys and what International Women's Day means to them.
- Further information on the company's Gender Equality Indicators is available from the Workplace Gender Equality Agency website at [www.wgea.gov.au](http://www.wgea.gov.au) or from the 'Sustainability Reporting' section of the company's website.

##### Flexible ways of working

COVID-19 continued to impact the way we go about our lives and run the business. Keeping our culture intact while facing so many challenges remained a key focus. Our initiatives included:

- Leaning into flexibility by working from home to keep our people safe.
- Offering paid wellbeing days to enable our people to get vaccinated.
- Shortening the length of our meetings from 1-hour to 45-minutes to ensure our meetings were effective, inclusive and productive.
- Running virtual "Staying Connected and Collaborative" events to support families in lockdown as well as providing opportunities where people could be engaged by motivational speakers.

#### Inclusion initiatives

##### National Association of Women In Operations (NAWO)

- We continued our corporate membership of NAWO, the chief body representing women in operations including the offer of mentorships for our women.

##### Indigenous Community Involvement

- We joined Indigenous Elders of the community and SunRice Indigenous employee representatives in National Aborigines and Islanders Day Observance Committee (NAIDOC) celebrations at the Deniliquin Local Aboriginal Land Council.

##### Jan Cathcart Memorial Scholarship Program

- We awarded Rebecca Groat the FY2022 Jan Cathcart Memorial Scholarship. Now in its eighth year, the \$30,000 scholarship is designed to support talented women who demonstrate a passion for and commitment to the rice industry, and who can contribute to and play a critical part in shaping a positive future.
- In addition, work experience opportunities were provided for a number of annual scholarship recipients in our Legal, Manufacturing and Agriculture teams.

##### Grow Our Own (GOO)

- We continued our membership of GOO in Western Riverina (NSW). GOO provides a platform to showcase career pathways within SunRice and inform careers advisors in schools about local possibilities for youth.
- We participated in their Careers Day to showcase the range of roles available at SunRice, and featured as one of the employers in a GOO video. This video will be used to educate Year 9 students about career opportunities.

##### Clontarf Foundation

- Since 2018 we have partnered 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 descent to participate in traineeship (or work experience) programs.
- In supporting the Foundation we not only demonstrate SunRice's commitment to the community but also attract male school leavers of Aboriginal and Torres Strait Islander descent to participate in traineeship (or work experience) programs with SunRice.
- Despite periodic COVID-19 restrictions we were able to host a group of Year 9 boys at the SunRice facility, introducing them to our manufacturing environment and the range of employment pathways available.
- SunRice employees also attended the Academy's annual presentation evening, and other training events, to foster relationships with members of the Academy.

## Ethical and responsible conduct at SunRice

All Directors, Senior Management and employees 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. SunRice completed a review of the Group Code of Conduct in FY2021, and associated training on the new Code on a Group-wide basis was completed during FY2022. Our Finance, Risk and Audit Committee is informed of any material breaches of the 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;

Protect individuals who report a wrongdoing from detrimental treatment by any person internal or external to the SunRice Group.

Establish a transparent and effective reporting and investigation mechanism to encourage disclosures of wrongdoing in a safe, secure and timely manner; and

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 Communications Policy

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

We are 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 Communications 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.

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.

### B) General and class meetings

We encourage our 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 Annual General Meetings 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).

### 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.

The Board has resolved that it is appropriate for the audit firm to provide ongoing taxation compliance and advisory services in addition to its normal audit function. As a broad guideline it is considered inappropriate for the audit firm to be involved in any assignment which would impair its professional independence.

A comprehensive policy dealing with this area was reviewed, updated and approved by the Board during FY2022. 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).

### A) Risk Management Framework

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

### 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 assess 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.

### 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 2022 Annual Report on pages 48–53. 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 2022 Annual Report on pages 30–47 and on the 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 72 - 86. Senior Executives are provided at-risk remuneration that is aligned with the strategic objectives, values and culture of SunRice. In comparison, Non-executive Directors are not provided 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.





[www.sunrice.com.au](http://www.sunrice.com.au)