

## Corporate Governance Statement 31 August 2023

Australian Dairy Nutritionals Group (**AHF or the Group**) is comprised of Australian Dairy Nutritionals Limited (**ADNL**) and each of its subsidiaries and related entities.

A reference to the **Board** in this Corporate Governance Statement is a reference to the board of ADNL.

A reference to the **Financial Year** in this Corporate Governance Statement refers to the financial year from 1 July 2020 to 30 June 2023.

This Corporate Governance Statement is reported against the 4th edition of the *ASX Limited Corporate Governance Principles and Recommendations* and has been approved by the Board.

The Corporate Governance Statement can be accessed at the Group's website ([www.adnl.com.au](http://www.adnl.com.au)) (**Website**) and by clicking on the Investor Centre link: <https://adnl.com.au/investor-centre>.

PRINCIPLE 1 - LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	The Group's Board Charter sets out the specific responsibilities of the Boards, matters expressly reserved to the Boards and those delegated to management. The Board Charter is available on the Investor Centre section of the Website.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Prior to appointing any new directors, the Group undertakes appropriate checks which may include checks such as the person's character, qualifications, experience, education, criminal record and bankruptcy history.  A profile of each director is included in the Annual Report of the Group and on the Group's Website. Any notice of meeting where a director is standing for election or re-election will include material information in the Group's possession relevant to a decision on whether to elect or re-elect a director.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	The Group has in place written agreements with each director and key management personnel setting out the terms of their appointment.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	The Company Secretary of the Group has a direct line of communication with the Chairman and all directors and is responsible for supporting the proper functioning of the Board which includes, but is not limited to, providing advice on governance and procedural issues, preparation of detailed Board papers and minutes, Board composition and performance review.

<p>1.5</p>	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a diversity policy;</li> <li>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</li> <li>(c) disclose in relation to each reporting period: <ul style="list-style-type: none"> <li>(1) the measurable objectives set for that period to achieve gender diversity;</li> <li>(2) the entity’s progress towards achieving those objectives; and</li> <li>(3) either: <ul style="list-style-type: none"> <li>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined “senior executive” for these purposes); or</li> <li>(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</li> </ul> </li> </ul> </li> </ul> <p>If the entity was in the S&amp;P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p>In view of the size of the Group and the nature of its activities, the Board has not yet established a diversity policy. However, the Group supports diversity and aims to employ both women and people from diverse cultural and ethnic backgrounds both on the Board and in management roles.</p> <p>As the Group shifts its focus from domestic markets to international markets it has actively sought to appoint members with a cultural background from those regions or, members who have significant experience operating in those regions and markets.</p> <p>The Group will develop a diversity policy and measurable objectives when its size and activities warrant such a structure.</p>
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<p>1.6</p>	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</li> <li>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</li> </ul>	<p>Details of the performance review process for the Board and individual directors is set out in the Board Charter.</p> <p>The Chairman is responsible for evaluation of the performance of the Board, its committees (if applicable) and individual directors. The Chairman and the Board discuss the performance and composition of the Board on a regular basis considering the strategic and operational objectives of the Group, considering issues or concerns as they arise. During the Financial Year, a formal Board review and renewal process was undertaken, led by the Chairman in consultation with other Board members.</p> <p>On 27 July 2023 Mr Adrian Rowley resigned as a director of the Group to focus on his own business. On 3 August 2023 Mr Scott Lai was appointed as a director of the Company. A copy of Mr Lai's profile can be found on the Website in the investor centre.</p> <p>Mr Lai brings strong financial market knowledge and an extensive network of more than 1,000 corporate and high net worth investors to the Group. He also has a strong track record of establishing and growing innovative businesses in highly regulated sectors including financial services and energy markets with demonstrated skills managing teams of more than 100 employees.</p> <p>In 2017 Mr Lai founded IJ Financial Services Pty Ltd and has grown this business to be a preeminent leader in the fund investment and mortgage loan industry in Queensland with a specific focus on the Chinese market. He spearheads the development, communication and implementation of effective growth strategies to ensure operations are efficient and scalable. He also drives business development initiatives including sourcing and managing new investments and creating opportunities aligned with strategic and financial objectives.</p> <p>Mr Lai is also a director of IJ Funds Management Pty Ltd which has been a shareholder in AHF since 2022 and currently holds 6.58% of the shares in AHF.</p>
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1.7	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</li> <li>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</li> </ul>	<p>The Group's process for evaluating the chief executive officer and senior executives is also set out in the Board Charter as well as the Group's Remuneration Policy. During the reporting period, the Chairman was responsible for evaluation of the performance of the CEO and the CEO was responsible for evaluation of the performance of senior executives.</p> <p>During the Financial Year a performance evaluation was undertaken in relation to the chief executive officer and senior executives in line with this process as well as the Remuneration Policy outlined in the Annual Report on pages 20-25.</p>

## PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

<p>2.1</p>	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ol style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, and disclose:</li> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ol> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>The Board did not have a nomination committee during the reporting period. The Board considers the selection and appointment of directors an important task that is led by the Chairperson in consultation with all Board members and the Company Secretary. This is considered best practice at this stage in the Group's development as well as the size and composition of the Group and the Board.</p> <p>The Board employs the following processes to address board succession issues and to ensure that the Board has the appropriate skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively considering its strategic direction and objectives:</p> <ul style="list-style-type: none"> <li>• periodically reviews and considers the structure and balance of the Board regarding appointments, retirements and terms of office of Directors;</li> <li>• adopted a skills matrix and periodically reviews the matrix in line with the Group's operations, strategies and composition to ensure it reflects the competencies for Board members, and guides recommendations of potential candidates;</li> <li>• where appropriate, the Board engages independent consultants to identify possible new candidates for the Board;</li> <li>• the Board will make recommendations on the appropriate size and composition of the Board;</li> <li>• the Board will make recommendations on the terms and conditions of appointment to the Board.</li> </ul> <p>Further details can be found in the Board Charter at <a href="https://adnl.com.au/investor-centre">https://adnl.com.au/investor-centre</a>.</p>
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2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	The Board Skills Matrix can be found on the Group's Website at <a href="https://adnl.com.au/investor-centre">https://adnl.com.au/investor-centre</a> .
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	Details of the Group's independent directors, details of why a director is not considered independent and the length of service of each director, are set out: <ul style="list-style-type: none"> <li>• in the Board Skills Matrix; and</li> <li>• below in section 2.4.</li> </ul>
2.4	A majority of the board of a listed entity should be independent directors.	The majority of the Board are independent directors. Three of the four directors of AHF are considered independent according to the ASX Corporate Governance Council's indicators of independence.  As noted above, on 27 July 2023 Mr Adrian Rowley resigned as a director of the Group to focus on his own business. Mr Scott Lai was appointed to the Board on 3 August 2023. Mr Lai is a director and shareholder of IJ Funds Management Pty Ltd which currently holds 6.58% of the capital of the Company and therefore is not considered independent. Whilst Mr Lai is not considered independent, the Board is of the view that his significant shareholding in the Company will ensure his interests are closely aligned with that of the Company.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Mr Martin Bryant is the Group's independent chairman and brings a wealth of operational and strategic expertise to the Group, with a particular focus on Asia. Mr Bryant's role is independent of the CEO and executive management personnel.

2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	The Group has an induction program comprised of formal training in relation to the operations of the Group, the dairy industry and compliance training as well as site visits and meetings with other Directors and senior executives. Compliance training and professional development opportunities are provided to Board members as appropriate to develop and maintain the skills and knowledge needed to perform their role effectively.
<b>PRINCIPLE 3 - INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>		
3.1	A listed entity should articulate and disclose its values.	The Group does not currently have a formal document outlining its values however its expectations in relation to the conduct of its business and its personnel are set out in the Code of Conduct.  As the Group completed its 5 year vertical integration strategy this year a review of its values and strategy will occur in FY24.
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code by a director or senior executive; and (2) any other material breaches of that code that call into question the culture of the organisation.	A copy of the Code of Conduct is disclosed on the Website at <a href="https://adnl.com.au/investor-centre">https://adnl.com.au/investor-centre</a> . The Company Secretary is responsible for reporting material breaches of the Code to the Board.
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	A copy of the whistleblower policy is disclosed on the Website. The Board is informed of any material incident report under that policy in accordance with the policy. The whistleblower policy is currently under review due to Board and senior management personnel changes. A copy of the updated whistleblower policy will be published on the Website once finalised.



<p>3.4</p>	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose an anti-bribery and corruption policy; and</li> <li>(b) ensure that the board or committee of the board is informed of any material breaches of that policy.</li> </ul>	<p>During the Financial Year the scope of ADNL’s business operations has widened to including international market entries throughout Asia, the Americas and the Middle East. In coming years it is expected that ADNL’s business footprint will continue to deepen in target markets and expand into new markets and therefore it is important that an anti-bribery and corruption policy is put in place.</p> <p>As part of the annual audit process the Board has approved ADNL’s Anti-Bribery and Corruption Policy and a copy can be found on the Website at <a href="https://adnl.com.au/investor-centre">https://adnl.com.au/investor-centre</a>. The Company Secretary is responsible for reporting material breaches of the Anti-Bribery and Corruption Policy to the Board.</p>
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**PRINCIPLE 4 - SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS**

<p>4.1</p>	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>At this stage of the Group’s development, the role of the audit committee has been assumed by the Board. The size of the Group does not justify the establishment of an audit committee at this time. The Board meets with ADNL’s auditors in relation to both the half year review and the full financial year audit and has full access to the auditor to discuss and clarify any issues arising in relation to the financial reports or ADNL’s financial operations.</p> <p>To independently verify and safeguard the integrity of its corporate reporting the Board:</p> <ul style="list-style-type: none"> <li>• ensures that the Board is comprised of several individuals with financial qualifications and/or significant financial expertise and experience, particularly in the industry in which the Group operates e.g. manufacturing and farming;</li> <li>• manages the selection and appointment of the external auditor and the rotation of external audit engagement partners through the Group’s service contract obligations and in-house compliance program;</li> <li>• reviews the appropriateness of the accounting principles adopted by management in the financial reports and the integrity of the Group’s financial reporting;</li> <li>• oversees the financial reports and the results of the external audits of those reports;</li> <li>• assesses management processes supporting external reporting;</li> <li>• reviews the impact of any proposed changes in accounting policies on the financial statements;</li> <li>• reviews the quarterly, half yearly and annual financial results and consults with the Group’s auditors in relation to both the half year and annual audits as well as any other issues which arise or it wishes to address.</li> </ul>
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4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity 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 the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	<p>The Group's CEO and CFO provide the Board with the appropriate assurances in relation to preparation of the full year and half-year statutory financial reports. The Group's external auditor attends one or more Board meetings and Board members have the opportunity to contact the auditor directly in relation to the financial review and audit processes.</p> <p>The auditor provides the Board with an overview of the audit or review undertaken and any material issues arising out of them. The Board members are afforded the opportunity to ask questions of the external auditor or seek clarifications in relation to the financial reports at these meetings/discussions.</p> <p>Wherever possible, the Board are given ample opportunity to review all financial statements and reports to be released to the market to ensure they can ask any questions of management arising out of those statements or reports.</p>
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	The Board reviews all periodic corporate reports required to be released to the market which are not audited or reviewed by an external auditor. The Board are afforded the opportunity to ask questions and provide comments to the CFO, CEO and other members of the management team as part of this review. The Board approves the final report and any associated commentary prior to lodging on the ASX Market Announcement Platform.
<b>PRINCIPLE 5 - MAKE TIMELY AND BALANCED DISCLOSURE</b>		
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<p>The Group has a market disclosure policy to ensure compliance with the ASX Listing Rules disclosure requirements and the corporate governance standards applied by the Group in its market communications.</p> <p>The market disclosure policy is available on the Website at <a href="https://adnl.com.au/investor-centre">https://adnl.com.au/investor-centre</a>.</p>
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	The Board reviews drafts of material market announcements and approves their lodgment on the ASX Market Announcements platform. A copy of all material market announcements are provided to all directors promptly after lodgment.

5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	A copy of new and substantive investor or analyst presentations are lodged on the ASX Market Announcements platform prior to presentation.
<b>PRINCIPLE 6 - RESPECT THE RIGHTS OF SECURITY HOLDERS</b>		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Information about the Group its operations, products and governance can be found on the Website as well as the websites of the Group's operating subsidiaries including Ocean Road Dairies ( <a href="http://www.oceanroaddairies.com.au">www.oceanroaddairies.com.au</a> ) and Future Formula ( <a href="http://www.futureformula.com.au">www.futureformula.com.au</a> ). The Group's corporate governance practices can be found at the following link: <a href="https://adnl.com.au/investor-centre">https://adnl.com.au/investor-centre</a> . A link to the Group's ASX announcements is included on the Website and the Group's key policies, reports and presentations are uploaded to the Website following release to the ASX.
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	The Group does not have a formal investor relations program however security holders are able to contact the Group through a dedicated email and phone contact. The Board determines investor relations activities undertaken by the Group and only the CEO and Chairman are authorised to speak to the media without permission of the Board.
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	The Group's strategy to promote communication with shareholders and encourage effective participation at general meetings is set out in its Shareholder Communication Policy which can be found on the Website at <a href="https://adnl.com.au/investor-centre">https://adnl.com.au/investor-centre</a> . The Group's external auditor also attends the Group's annual general meeting and is available to answer questions of shareholders (which can be submitted prior to the meeting or asked during meetings).
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	The Group's constitution provides that resolutions may only be put to shareholders and decided by poll.

6.5	<p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>The Group gives shareholders the option to receive communications from, and send communications to, the Group and its security registry electronically. These options are accessible via the Group's share registrar, Link Market Services.</p> <p>The Group has also amended its Constitution to allow shareholder meetings to be held using appropriate technology available to the Group provided securityholders are given sufficient opportunity to participate in the meeting.</p>
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**PRINCIPLE 7 - RECOGNISE AND MANAGE RISK**

<p>7.1</p>	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ul style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, and disclose:</li> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>During the reporting period, the Group did not have a specifically constituted risk committee but rather the Board itself is responsible for the management and oversight of the Group's risk management. This is considered appropriate due to the size and nature of the operations of the Group as well as the experience of the Board members.</p> <p>The Group has a risk management system outlined in its Risk Management Policy to identify and manage uncertainty which may impact the Group's ability to achieve its strategic and operational objectives. The Board has developed a risk appetite statement which outlines the Board's appetite to take on categories of risk impacting the business and this is underpinned by risk tolerances in the various operational functions.</p> <p>The Board is responsible for the review and oversight of the risk management system whilst management are responsible for development and implementation of risk management processes including reviewing the effectiveness of risk controls and continuous improvement. Operational teams are supported and advised by risk management personnel including in relation to food quality, safety and agricultural practices. External audit processes are undertaken in accordance with regulatory or contractual compliance regimes including food quality and safety, organic certifications, financial services and financial reporting.</p> <p>Both the Board and management play a role in identification of strategic and emerging risks impacting the Group including changes to key strategic or operational risks and identification and analysis of emerging risks.</p>
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7.2	<p>The board or a committee of the board should:</p> <ul style="list-style-type: none"> <li>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</li> <li>(b) disclose, in relation to each reporting period, whether such a review has taken place.</li> </ul>	<p>The Group's risk management system is reviewed by the Board on at least an annual basis and the Group's risk register is reviewed on a quarterly basis, which includes review of the effectiveness of the risk controls in respect of each risk. A review of the Group's risk management system was conducted in the reporting period.</p>

<p>7.3</p>	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p>The Group does not have an internal audit function however it does have internal audit personnel and framework for its food safety and quality program. The food safety and quality program is based on a Hazard Analysis Critical Control Point food safety and risk assessment plan and also incorporates compliance frameworks and plans for the various certifications which the Group holds eg. organic certification of its farm and factory operations.</p> <p>The Board oversees the effectiveness of risk management and internal control processes which is considered appropriate at present given the size of the Group and its operations however as the Group's operations expand it plans to establish a formal third line, internal audit function which assesses the effectiveness of all of its key risk management and compliance programs.</p> <p>Management is charged with resourcing, developing and implementing the Group's governance processes, risk management and internal controls system. Management report to the Board in relation to the results of their assessment of the effectiveness of existing systems and controls including areas for improvement and breach reporting and remediation.</p> <p>The Board are responsible for oversight and review of the Group's governance processes and the effectiveness of its risk management and internal control systems.</p>
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<p>7.4</p>	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	<p>As an agribusiness, the Group has material exposure to environmental and social risks including:</p> <ul style="list-style-type: none"> <li>• the impact of climate change on the Group’s operations including adverse weather events (such as flood, fire, storms), water availability, acts of God and animal welfare considerations;</li> <li>• resource use and waste management in its manufacturing operations;</li> <li>• land management and protection in its farming operations;</li> <li>• animal welfare and biosecurity in its farming operations; and</li> <li>• food consumption, marketing and promotion, particularly for infant formula;</li> <li>• food quality and safety, innovation and product development;</li> <li>• domestic and international market participation, compliance and reputation;</li> <li>• rural and regional community participation, wellbeing and sustainability;</li> </ul> <p>Environmental and social risks which the Group is exposed are an important part of the Group’s risk management framework and managed in accordance with the Group’s risk management framework. The Directors Report on pages 13-15 of the Annual Report includes a summary of some of the key risks facing the Group including environmental and social risks.</p>
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**PRINCIPLE 8 - REMUNERATE FAIRLY AND RESPONSIBLY**

<p>8.1</p>	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, and disclose:</li> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>The Board did not have a remuneration committee during the Financial Year. Given the nature and size of the Group a remuneration committee is not considered necessary at this time and the Board oversees the remuneration strategy of the Group. The Board has the responsibility for overseeing the remuneration policy of the Group including:</p> <ul style="list-style-type: none"> <li>• developing coherent remuneration policies and practices to attract and retain directors, executives and management who will create value for shareholders; and</li> <li>• fairly and responsibly reward executives and management regarding the performance of the Group, the individual’s performance and the pay environment.</li> </ul> <p>The Board employs the following processes for setting the level and composition of remuneration for directors and executives ensuring that such remuneration is appropriate and not excessive:</p> <ul style="list-style-type: none"> <li>• the Board may receive external assistance and advice to assist it in determining appropriate levels of remuneration for the directors or executives;</li> <li>• the Group’s remuneration policy consists of a fixed component commensurate with the director or executive’s knowledge and experience as well as the general market and a variable at-risk component to motivate executives to pursue long term success of the Group.</li> </ul> <p>Further details of the Group’s Remuneration Policy can be found in the Annual Report for the Financial Year at pages 20-25.</p>
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<p>8.2</p>	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>Details of the remuneration of the Board as well as key management personnel can be found in the Annual Report on pages 20-25.</p> <p>Non-executive directors' remuneration is formulated regarding the following guidelines:</p> <ul style="list-style-type: none"> <li>• by way of fees, in the form of cash, non-cash benefits, superannuation contributions or equity, usually without participating in schemes designed for the remuneration of executives e.g. key operational targets; and</li> <li>• non-executive directors should not be provided with retirement benefits other than superannuation.</li> </ul> <p>Executive directors' and management remuneration packages involve a balance between fixed and incentive-based pay, reflecting market conditions as well as the overall performance of the individual and the Group against set objectives.</p> <p>Directors' fees are paid separately to all directors. The different types of remuneration including fringe benefits, superannuation, consulting fees and director fees are outlined in the Annual Report on pages 20-25.</p>
<p>8.3</p>	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>The Group has a long-term incentive plan which was lodged with ASX on 27 October 2014 when the Group first listed on the ASX. The plan was updated and approved by shareholders on 27 November 2022.</p> <p>Participants are not permitted to enter transactions which limit the economic risk of participating in the scheme as outlined in the plan. A copy of the plan can be found on the Group's Website at <a href="https://adnl.com.au/investor-centre">https://adnl.com.au/investor-centre</a>.</p>