

## McPherson's Limited (ABN 98 004 068 419)

### FY24 Corporate Governance Statement

The Board of Directors of McPherson's Limited ("McPherson's", the "Company" or the "McPherson's Group") guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Board is therefore responsible for the corporate governance framework of the Company having regard to the ASX Corporate Governance Council's "*Corporate Governance Principles and Recommendations, 4th Edition*" (**Principles and Recommendations (Fourth Edition)**).

Various corporate governance policies and practices are discussed within this statement. For further information on corporate governance policies adopted by the Company, please refer to the "Investor Centre/Corporate Governance" tab on the McPherson's website ([www.mcphersons.com.au](http://www.mcphersons.com.au)). This section of the McPherson's website will assist when navigating through the information contained in or referred to in this statement. The ASX Appendix 4G, given to the ASX at the same time as this statement, complements this statement and provides a key to the Company's corporate governance disclosures.

A copy of the 2024 Annual Report and all ASX announcements of the Company can be found under the "Investor Centre/Corporate Governance" tab on the McPherson's website ([www.mcphersons.com.au](http://www.mcphersons.com.au)).

The table below outlines the Company's compliance with the Principles and Recommendations (Fourth Edition).

Unless otherwise stated in the table above or in the paragraphs of this statement that follow, the Company's corporate governance practices were in place throughout the period 1 July 2023 to 30 June 2024 (inclusive) (**Reporting Period**).

The Board of Directors of McPherson's has approved this Corporate Governance Statement for the Reporting Period.

|   | Recommendation   | Complies Yes / No | Reference  |
|---|--|-------------------|--|
| <b>Principle 1 – Lay solid foundations for management and oversight</b> |  |                   |  |
|   | <b>A listed entity should clearly delineate the respective roles and responsibilities of its Board and management and regularly review their performance.</b>  |                   |  |
| 1.1   | A listed entity should have and disclose a Board Charter setting out: <ul style="list-style-type: none"> <li>(a) the respective roles and responsibilities of its Board and management; and</li> <li>(b) those matters expressly reserved to the Board and those delegated to management.</li> </ul> | <b>Yes</b>        | Board Charter<br><br>Refer to "Board of McPherson's Limited" section below<br><br>Matters Reserved for the Board<br><br>Refer to "Investor Centre/Corporate Governance" tab of McPherson's website |

|     | <b>Recommendation</b>   | <b>Complies<br/>Yes / No</b> | <b>Reference</b>  |
|-----|---|------------------------------|---|
| 1.2 | <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and</p>  | <b>Yes</b>                   | <p>People &amp; Culture Committee Charter</p> <p>Refer to “People &amp; Culture Committee” section below</p> <p>Refer to “Investor Centre/Corporate Governance” tab of McPherson’s website</p>  |
|     | <p>(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.</p>   |                              | <p>Refer to “Structure of the Board” section below</p> <p>Refer to “People &amp; Culture Committee” section below</p> <p>Refer to Annual Report and AGM Notice of Meeting</p> <p>Refer to “Investor Centre/Corporate Governance” tab of McPherson’s website</p>   |
| 1.3 | <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>  | <b>Yes</b>                   | <p>Refer to “People &amp; Culture Committee” section below</p>  |
| 1.4 | <p>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.</p>  | <b>Yes</b>                   | <p>Board Charter</p> <p>Refer to “Board of McPherson’s Limited” section below</p> <p>Refer to “Investor Centre/Corporate Governance” tab of McPherson’s website</p>   |
| 1.5 | <p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(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;</p> <p>(c) disclose in relation to each Reporting Period:</p> <p>(1) the measurable objectives set for that period to achieve diversity;</p> <p>(2) the entity’s progress towards achieving those objectives; and</p> | <b>Yes</b>                   | <p>Diversity and Inclusion Policy</p> <p>Refer to “Diversity and Inclusion at McPherson’s” section below</p> <p>Refer to “Investor Centre/Corporate Governance” tab of McPherson’s website</p> <p>Refer to the 2023-2024 McPherson’s Report to the Workplace Gender Equality Agency in the “Investor Centre/Corporate</p> |

|  | <b>Recommendation</b>   | <b>Complies<br/>Yes / No</b> | <b>Reference</b>   |
|--|---|------------------------------|--|
|  | <p>(3) either:</p> <p>(A) the respective proportions of men and women on the Board, in Senior Executive positions across the whole workforce (including how the entity has defined “senior executive” for these purposes); or</p> <p>(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.</p> |                              | Governance” tab of McPherson’s website tab of McPherson’s website                        |
|  | If the entity was in the S&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.  |                              | McPherson’s was not in the S&P/ASX 300 Index at the commencement of the Reporting Period |
| 1.6  | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and</p>  | <b>Yes</b>                   | Refer to “Board and Executive Leadership Team Performance Evaluation” section below      |
|  | <p>(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.</p>   |                              | Refer to “Board and Executive Leadership Team Performance Evaluation” section below      |
| 1.7  | <p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its Senior Executives at least once every Reporting Period; and</p> <p>(b) disclose for each Reporting Period whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.</p>  | <b>Yes</b>                   | Refer to “Board and Executive Leadership Team Performance Evaluation” section below      |
| <b>Principle 2 – Structure the Board to be effective and add value</b> |   |                              |  |
|  | <b>The Board of a listed entity should be an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.</b>  |                              |  |
| 2.1  | <p>The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p>   | <b>Yes</b>                   | People & Culture Committee Charter   |

|     | <b>Recommendation</b>   | <b>Complies<br/>Yes / No</b> | <b>Reference</b>  |
|-----|---|------------------------------|---|
|     | <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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; <b>OR</b></p> <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>Refer to “People &amp; Culture Committee” section below</p> <p>Refer to “Investor Centre/Corporate Governance” tab of McPherson’s website</p> <p>Refer to “Board Committee Membership” section below</p> <p>Refer to “Directors’ and Board Committee Meetings” section below</p> |
| 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.   | <b>Yes</b>                   | Refer to “Structure of the Board” section below   |
| 2.3 | A listed entity should disclose: <p>(a) the names of the directors considered by the Board to be independent directors;</p> <p>(b) if a director has an interest, position, association 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, association or relationship in question and an explanation of why the Board is of that opinion; and</p> <p>(c) the length of service of each director.</p>   | <b>Yes</b>                   | Refer to “Structure of Board” section below   |
| 2.4 | A majority of the Board of a listed entity should be independent directors.   | <b>Yes</b>                   | Refer to “Structure of the Board” section below   |
| 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.   | <b>Yes</b>                   | Refer to “Structure of the Board” section below   |
| 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.   | <b>Yes</b>                   | Refer to “Director Induction and Continuing Professional Development” section below   |

|  | <b>Recommendation</b>  | <b>Complies<br/>Yes / No</b> | <b>Reference</b>  |
|--|--|------------------------------|---|
| <b>Principle 3 – Instill a culture of acting lawfully, ethically and responsibly</b> |  |                              |   |
|  | <b>A listed entity should instill and continuously enforce a culture across the organisation of acting lawfully, ethically and responsibly.</b>  |                              |   |
| 3.1  | A listed entity should articulate and disclose its values.   | <b>Yes</b>                   | Refer to “Statement of Values” section below<br><br>Statement of Values<br><br>Refer to “Investor Centre/Corporate Governance” tab of McPherson’s website   |
| 3.2  | A listed entity should:<br><br>(a) have and disclose a code of conduct for its directors, senior executives and employees; and<br><br>(b) ensure that the Board or a Committee of the Board is informed of any material breaches of that code. | <b>Yes</b>                   | Code of Conduct<br><br>Ethical and Responsible Business Conduct Policy<br><br>Refer to “Investor Centre/Corporate Governance” tab of McPherson’s website  |
| 3.3  | A listed entity should:<br><br>(a) have and disclose a whistle blower policy; and<br><br>(b) ensure that the Board or a Committee of the Board is informed of any material incidents reported under that policy.                               | <b>Yes</b>                   | Whistleblower Policy<br><br>Refer to “Whistleblower Policy” section below<br><br>Refer to “Investor Centre/Corporate Governance” tab of McPherson’s website   |
| 3.4  | A listed entity should:<br><br>(a) have and disclose an anti-bribery and corruption policy; and<br><br>(b) ensure that the Board or a Committee of the Board is informed of any material incidents reported under that policy.                 | <b>Yes</b>                   | Code of Conduct<br><br>Ethical and Responsible Business Conduct Policy<br><br>Refer to “Anti-Bribery and Anti-Corruption” section below<br><br>Refer to “Investor Centre/Corporate Governance” tab of McPherson’s website |
| <b>Principle 4 – Safeguard the integrity of corporate reports</b>                    |  |                              |   |
|  | <b>A listed entity should have appropriate processes to verify the integrity of its corporate reports.</b>   |                              |   |

|  | <b>Recommendation</b>   | <b>Complies<br/>Yes / No</b> | <b>Reference</b>  |
|--|---|------------------------------|---|
| 4.1  | <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; <b>OR</b></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> | <b>Yes</b>                   | <p>Audit Committee Charter</p> <p>Refer to “Audit Committee” section below</p> <p>Refer to “Investor Centre/Corporate Governance” tab of McPherson’s website</p> <p>Refer to “Board Committee Membership” section below</p> <p>Refer to “Directors’ and Board Committee Meetings” section below</p> |
| 4.2  | <p>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>  | <b>Yes</b>                   | <p>Refer to “CEO and CFO Certification” section below</p>   |
| 4.3  | <p>A listed entity should disclose its processes to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>   | <b>Yes</b>                   | <p>Refer to “Verifying the Integrity of Periodic Corporate Reports” section below</p>   |
| <b>Principle 5 – Make timely and balanced disclosure</b> |   |                              |   |
|  | <p><b>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</b></p>  |                              |   |
| 5.1  | <p>A listed entity should have and disclose a written have a written policy for complying with its</p>  | <b>Yes</b>                   | <p>Continuous Disclosure Policy</p>   |

|   | <b>Recommendation</b>   | <b>Complies<br/>Yes / No</b> | <b>Reference</b>  |
|---|---|------------------------------|---|
|   | continuous disclosure obligations under Listing Rule 3.1.   |                              | Refer to “Continuous Disclosure Policy” section below<br><br>Refer to “Investor Centre/Corporate Governance” tab of McPherson’s website                                     |
| 5.2   | A listed entity should ensure that its Board receives copies of all material market announcements promptly after they have been made.   | <b>Yes</b>                   | Refer to “Continuous Disclosure Policy” section below   |
| 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. | <b>Yes</b>                   | Continuous Disclosure Policy<br><br>Refer to “Investor Centre/ASX Announcements” tab of McPherson’s website (for examples of compliance)                                    |
| <b>Principle 6 – Respect the rights of security holders</b> |   |                              |   |
|   | <b>A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.</b>                            |                              |   |
| 6.1   | A listed entity should provide information about itself and its governance to investors via its website.  | <b>Yes</b>                   | Refer to this “FY24 Corporate Governance Statement” and the Company’s ASX Appendix 4G.<br><br>Refer to “Investor Centre/Corporate Governance” tab of McPherson’s website    |
| 6.2   | A listed entity should have an investor relations program that facilitates effective two-way communication with investors.  | <b>Yes</b>                   | Continuous Disclosure Policy<br><br>Refer to “Continuous Disclosure Policy” section below<br><br>Refer to “Investor Centre/Corporate Governance” tab of McPherson’s website |
| 6.3   | A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.  | <b>Yes</b>                   | Continuous Disclosure Policy<br><br>Refer to “Investor Centre/Corporate   |

|  | <b>Recommendation</b>   | <b>Complies<br/>Yes / No</b> | <b>Reference</b>   |
|--|---|------------------------------|--|
|  |   |                              | Governance” tab of McPherson’s website<br><br>Refer to AGM Notice of Meeting   |
| 6.4  | A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by poll rather than a show of hands.  | <b>Yes</b>                   | McPherson’s past practice at meetings of security holders has been to conduct poll voting on <u>all</u> resolutions.<br><br>Refer to 2023 AGM Outcome of Meeting (and prior ASX announcements of outcomes of AGMs)   |
| 6.5  | A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.  | <b>Yes</b>                   | This is possible through the Computershare Investor Centre   |
| <b>Principle 7 – Recognise and manage risk</b> |   |                              |  |
|  | <b>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</b>  |                              |  |
| 7.1  | The Board of a listed entity should:<br><br>(a) have a committee or committees to oversee risk, each of which:<br><br>(1) has at least three members, a majority of whom are independent directors; and<br><br>(2) is chaired by an independent director,<br><br>and disclose:<br><br>(3) the charter of the committee;<br><br>(4) the members of the committee; and<br><br>(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; <b>OR</b><br><br>(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. | <b>Yes</b>                   | Risk & Compliance Committee Charter<br><br>Refer to “Risk & Compliance Committee” section below<br><br>Refer to “Investor Centre/Corporate Governance” tab of McPherson’s website<br><br>Refer to “Board Committee Membership” section below<br><br>Refer to “Directors’ and Board Committee Meetings” section below |
| 7.2  | The Board or a Committee of the Board should:<br><br>(a) review the entity’s risk management framework at least annually to satisfy itself that it continues  | <b>Yes</b>                   | Refer to “Risk & Compliance Committee” section below   |



|  | Recommendation   | Complies Yes / No | Reference   |
|--|--|-------------------|---|
|  | <p>to be sound and that the entity is operating with due regard to the risk appetite set by the Board; and</p> <p>(b) disclose, in relation to each Reporting Period, whether such a review has taken place.</p>   |                   |   |
| 7.3  | <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 risk management and internal control processes.</p>  | Yes               | Refer to “Audit Committee” section below  |
| 7.4  | <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>   | Yes               | Refer to “Environmental, Social and Governance Risks” section below   |
| <b>Principle 8 – Remunerate fairly and responsibly</b> |  |                   |   |
|  | <p><b>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity’s values and risk appetite.</b></p>   |                   |   |
| 8.1  | <p>The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(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; <b>OR</b></p> <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> | Yes               | <p>People &amp; Culture Committee Charter</p> <p>Refer to “People &amp; Culture Committee” section below</p> <p>Refer to “Investor Centre/Corporate Governance” tab of McPherson’s website</p> <p>Refer to “Board Committee Membership” section below</p> <p>Refer to “Directors’ and Board Committee Meetings” section below</p> |

|  | <b>Recommendation</b>   | <b>Complies<br/>Yes / No</b> | <b>Reference</b>  |
|--|---|------------------------------|---|
| 8.2  | 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.  | <b>Yes</b>                   | People & Culture Committee Charter<br><br>Refer to 2024 Annual Report<br><br>Refer to “Investor Centre/Corporate Governance” tab of McPherson’s website               |
| 8.3  | A listed entity which has an equity-based remuneration scheme should:<br><br>(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<br><br>(b) disclose that policy or a summary of it.   | <b>Yes</b>                   | Securities Trading Policy<br><br>Refer to “Securities Trading Policy” section below<br><br>Refer to “Investor Centre/Corporate Governance” tab of McPherson’s website |
| <b>Principle 9 – Additional Recommendations that apply only in certain cases</b> |   |                              |   |
|  | <b>The following additional recommendations apply to entities described within them.</b>  |                              |   |
| 9.1  | A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents. | <b>N/A</b>                   | Not Applicable  |
| 9.2  | A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.  | <b>N/A</b>                   | Not Applicable  |
| 9.3  | A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.   | <b>N/A</b>                   | Not Applicable  |

## Key Management Personnel changes during the Reporting Period

The Company undertook several significant changes to Key Management Personnel during the Reporting Period. These are set out below:

- Brett Charlton was appointed Chief Executive Officer and Managing Director (**CEO**) on 1 August 2023.
- Alison Cook, a non-executive director of the Company, assumed the short-term executive position of Chief Operating Officer (**COO**) on 1 June 2023, to lead senior management while the Board

undertook an in-depth search process for a permanent CEO. Despite Ms Cook serving in this executive capacity for this period, the Board was of the opinion that the nature and duration of this short-term role did not compromise her independence as a director. Shortly after Mr Charlton's appointment on 1 August 2023, Ms Cook ceased the COO role on 8 August 2023. During the Reporting Period, Ms Cook was also Chair of the Risk & Compliance Committee.

- Ari Mervis, a non-executive director, assumed the short-term position of Executive Chair on 31 May 2023 until Mr Charlton's appointment as CEO on 1 August 2023. Despite Mr Mervis serving in this executive capacity for this period, the Board was of the opinion that the nature and duration of this short-term role did not compromise his independence as a director. During the whole of the Reporting Period, Mr. Mervis was Chair of the Board.
- Paul Witheridge retired as Chief Financial Officer effective on 30 April 2024.
- Mark Sherwin was appointed as Chief Financial Officer effective on 6 May 2024.

## **Board of McPherson's Limited**

### *Role of the Board*

The Board's role is to build sustainable value for shareholders while respecting the interests of all of the Company's stakeholders. The Board's role also includes:

- setting the right tone for leadership of the Company, defining the Company's role and purpose in relation to all relevant stakeholders and guiding the strategic direction of the Company; and
- monitoring the culture and values of the Company, driving its performance and overseeing the activities of management and the operation of the Company.

The Board may delegate, and has delegated, the day-to-day operation of the Company to management but the Board retains overall accountability to shareholders and other stakeholders for the Company's performance.

In its stewardship of the Company, the Board also seeks to identify and ensure delivery of outcomes against the expectations of shareholders and other stakeholders. In doing so the Board seeks to identify and ensure compliance with the Company's legal, regulatory and ethical obligations. The Board is also responsible for identifying areas of significant business risk and for ensuring arrangements are in place to adequately manage those risks.

The Board will also ensure that the Company has adequate internal controls, risk and compliance policies and procedures and reporting mechanisms and will regularly assess their effectiveness.

The Board operates under the Board Charter that establishes the role and responsibilities of the Board. The Board disclosed its Board Charter for the whole of the Reporting Period.

Under the Board Charter, the Board is responsible for the overall operation and stewardship of the Company and including for:

### *Leadership*

- demonstrating leadership;

### *Role, Purpose and Strategic Objectives*

- defining the Company's role and purpose and setting its strategic objectives;

### *Statement of Values and Culture*

- instilling and reinforcing a culture across the Company of acting lawfully, ethically and responsibly and in a manner consistent with the Company's values;
- approving the Company's Statement of Values and Code of Conduct at least annually;

### *Financial*

- monitoring management's implementation of financial and other strategic objectives;
- approving operating budgets, major capital expenditure, acquisitions and divestments;

- monitoring capital management;

### ***Governance, Risk and Compliance***

- satisfying itself that the Company has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the Board expects management to operate;
- satisfying itself that an appropriate framework exists for relevant and accurate information to be reported by management to the Board;
- overseeing the Company's process for making timely and balanced disclosure of all material information reasonably expected to have a material effect on the price or value of the Company's securities;
- monitoring compliance with legal, constitutional and ethical standards;
- reviewing, approving and monitoring the effectiveness of the Company's governance policies;

### ***Management***

- the appointment and, as necessary, removal of the Chief Executive Officer & Managing Director and/or the Company Secretary;
- the ratification of the appointment and, as necessary, removal of the Chief Financial Officer and all other Executive Leadership Team roles;
- annually monitoring and evaluating the performance of management;
- reviewing succession planning and management development (including considerations of gender diversity);

### ***Remuneration***

- satisfying itself that the Company's remuneration policies are aligned with the Company's purpose, values and strategic objectives;

### ***Board and Committee Performance***

- appointing and, as necessary, replacing the Board Chair;
- reviewing its skills and diversity matrix on a regular basis to make sure it covers the skills and diversity needed to meet existing and emerging business, finance and governance issues applicable to the Company;
- annually assessing the Board's own performance and that of each Director;
- annually assessing the performance of each Board Committee;

### ***External Audit***

- overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit; and
- ensuring that the external auditor attends the Company's Annual General Meeting to be available to answer questions relating to the audit, the auditor's independence and the Auditors' Report.

### ***Board Committees***

- establishing and adopting charters and monitoring the performance of the following Board Committees:
  - Audit;
  - Risk & Compliance; and
  - People & Culture; and
- reviewing the performance of the Board Committees to ensure that they remain relevant and effective.

## **Company Secretary**

Under the Board Charter, the Company Secretary is accountable directly to the Board, through the Board Chair, on all matters to do with the proper functioning of the Board and in relation to corporate governance matters. Each Director is able to communicate directly with the Company Secretary and vice versa.

## **Matters Reserved for the Board**

Notwithstanding the delegation of the day-to-day operation of the Company to management (including any written delegations of authority to management), the Board has reserved the responsibilities set out in the Matters Reserved for the Board (located in the “Investor Centre/Corporate Governance” tab of the McPherson’s website) for itself as well as any matters which exceed the thresholds set out in the written management delegated authorities.

This is for the purpose of further delineating the division of functions and the exercise of authority between the Board and management. The Board has not, and cannot lawfully, reserve unto itself any matter that must be determined by the Company in general meeting.

Both the Board Charter and the Matters Reserved for the Board are reviewed annually to ensure they comply with current legal requirements and that they remain relevant and effective. The Board disclosed its Matters Reserved for the Board for the whole of the Reporting Period.

## **Delegated Approval Limits Policy**

As stated above, the Board has delegated to management the responsibility of the day-to-day operation of the Company. The scope of, and limitations placed on, the authority delegated to management is outlined in a formal written (internal only) delegated authority limit policy approved by the Board and covers areas such as implementation of, and monitoring progress against, Board approved annual operating plans and budgets via the establishment and reporting of both financial and non-financial key performance indicators.

## **Board Committees**

While at all times the Board retains full responsibility for the stewardship of the Company’s business and operations, it makes use of Board Committees that are able to focus on particular duties and responsibilities and provide informed feedback and recommendations to the Board. The duties and responsibilities of the established Board Committees are set out in the respective Board Committee charters published in the “Investor Centre/Corporate Governance” tab on the McPherson’s website.

There are procedures in place, agreed by the Board, to enable the Board and individual directors to seek independent professional advice at the Company’s expense.

## **Board Attendances**

As at the year ended 30 June 2024, the number of times the Board met throughout the Reporting Period, the Board members and the individual attendances of Board members at those meetings is set out in the section below entitled “Directors’ and Board Committee Meetings”.

## **Structure of the Board**

To ensure that the Board is well equipped and appropriately qualified to discharge its responsibilities, it has established guidelines for the nomination and selection of directors and for the operation of the Board. These guidelines are set out in the People & Culture Committee Charter.

The skills, experience and expertise of each director relevant to the position of director is included in the Directors’ Report (set out in the 2024 Annual Report) and is published on the McPherson’s website. These details are also included in each Annual General Meeting (**AGM**) Notice of Meeting for directors who are seeking election or re-election to the Board.

## **Independence**

Directors of McPherson’s are considered to be independent when they are independent of management and free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect, a director’s capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company, as a whole, rather than in the interests of an individual security holder or other party.

The Board annually assesses whether each non-executive director is independent. If a non-executive director's independent status changes during the Reporting Period, the Company will disclose this to the market promptly and without delay.

In accordance with the definition and the set materiality thresholds, the independence status of non-executive directors of the Company as at the year ended 30 June 2024 is as follows:

|                   |             |
|-------------------|-------------|
| Ari Mervis, Chair | Independent |
| Alison Cook       | Independent |
| Jane McKellar     | Independent |
| Helen Thornton    | Independent |

Accordingly, the Board of the Company comprises a majority of independent non-executive directors. The Board Chair is an independent non-executive director and is not the same person as the CEO.

### Length of Service

The length of service of each director in office as at the year ended 30 June 2024 is as follows:

| Name                 | Appointed        | Length of Service          |
|----------------------|------------------|----------------------------|
| Ari Mervis, Chair    | 16 February 2021 | 3 years, 4 months, 15 days |
| Brett Charlton (CEO) | 1 August 2023    | 11 months                  |
| Alison Cook          | 24 July 2018     | 5 years, 11 months, 7 days |
| Jane McKellar        | 23 February 2015 | 9 years, 4 months, 8 days  |
| Helen Thornton       | 20 December 2021 | 2 years, 6 months, 11 days |

### Board Skills and Diversity Matrix

The skills, experience and expertise of individual directors are set out in more detail in the Company's 2024 Annual Report.

To assist in identifying areas of focus and maintaining a skills and diverse mix in its membership, the Board utilises a skills and diversity matrix which is reviewed by the Board on a regular basis to ensure it has the skills and diversity needed to address existing and emerging business and governance issues relevant to the Company. It is an important, but not the only, basis of criteria applying to non-executive director appointments.

The Board is structured to be effective and add value, with each of the directors having broad and relevant industry experience. The following skills and diversity matrix sets out the mix of skills, experience and expertise that the Board currently has based on each director's particular qualifications and background, and the outcome of an assessment of directors' skills undertaken during the Reporting Period:

|   |     |
|---|-----|
| Executive Leadership and Strategy                               | 92% |
| Corporate Governance and Risk Management                        | 88% |
| Consumer, Brand Marketing and Sales                             | 76% |
| International Operations  | 76% |
| Supply Chain, Logistics and Manufacturing                       | 76% |
| Product Research, Development, Quality and Innovation           | 76% |
| People and Culture  | 76% |
| Financial Acumen  | 72% |
| Business Development, Capital Markets, Mergers and Acquisitions | 68% |
| Health, Wellness and Beauty Sector                              | 68% |
| ESG and Sustainability  | 68% |
| Digital and Technology  | 60% |

The Board disclosed its Board Skills & Diversity Matrix for the whole of the Reporting Period. The Board has determined that all appointments of non-executive directors are made based on their range of skills, experience, expertise and attributes that the Board considers desirable for the Company, its business and its shareholders.

## Director Induction and Continuing Professional Development

The Company has a program for the induction of new directors to the Company.

The Company provides new directors with briefings from management and all relevant written background material related to the Company that a new director would reasonably expect to receive such as statutory information, past and present financial and non-financial information, information regarding directors' duties and responsibilities, access to past and present books and records of the Company and details of the Company's directors' and officers' insurance arrangements. Directors will also be offered to enter into a deed of access, insurance and indemnity with the Company.

Directors are also encouraged to participate in continuing professional development activities, attend or present seminars or courses and to participate in other activities designed to further develop their skills and knowledge. The Company also encourages directors and officers, should they wish, to become members of the Australian Institute of Company Directors or other relevant professional associations or bodies with similar objectives of enhancing directors' skills and knowledge.

## Directors' and Board Committee Meetings

Directors' and Committee meetings held and attended during the year ended 30 June 2024 were:

| Directors                   | Board meetings |          | Audit Committee meetings |          | People & Culture Committee meetings |          | Risk & Compliance Committee meetings |          |
|-----------------------------|----------------|----------|--------------------------|----------|-------------------------------------|----------|--------------------------------------|----------|
|                             | Held           | Attended | Held                     | Attended | Held                                | Attended | Held                                 | Attended |
| Ari Mervis                  | 17             | 17       | 8                        | 8        | 4                                   | 4        | -                                    | -        |
| Brett Charlton <sup>1</sup> | 15             | 15       | 7                        | 7        | 3                                   | 3        | 3                                    | 3        |
| Jane M. McKellar            | 17             | 17       | -                        | -        | 4                                   | 4        | 4                                    | 4        |
| Alison J. Cook              | 17             | 17       | 8                        | 8        | 4                                   | 4        | 4                                    | 4        |
| Helen L. Thornton           | 17             | 17       | 8                        | 8        | -                                   | -        | 4                                    | 4        |

<sup>1</sup> Brett Charlton was appointed on 1 August 2023.

## Board Committee Membership

At the year ended 30 June 2024, the Company had three Board Committees – Audit Committee, Risk & Compliance Committee and the People & Culture Committee.

Directors acting on the Board Committees during the Reporting Period were:

|                   | Audit Committee | Risk & Compliance Committee | People & Culture Committee |
|-------------------|-----------------|-----------------------------|----------------------------|
| Ari Mervis        | Member          | -                           | Member                     |
| Brett Charlton    | -               | -                           | -                          |
| Jane M. McKellar  | -               | Member                      | Current Chair              |
| Alison J. Cook    | Member          | Current Chair               | Member                     |
| Helen L. Thornton | Current Chair   | Member                      | -                          |

## People & Culture Committee

The Board has delegated responsibility for our people, our McPherson's Group culture and remuneration strategy to the People & Culture Committee which operates under a charter approved by the Board that is published on the McPherson's website. The Board disclosed its People & Culture Committee Charter for the whole of the Reporting Period.

The Company's objective is to provide maximum stakeholder benefit from the retention of a high-quality Board, Executive Leadership Team and employees by remunerating them fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the nature and amount of Executive Leadership Team remuneration is linked to the Company's financial, non-financial and operational performance. The expected outcomes of the remuneration structure are:

- retention and motivation of key senior executives;

- attraction of quality management to the Company; and
- performance initiatives which allow senior executives to share the rewards of the success of the Company.

The Company prepares, and has signed a written:

- letter of engagement (including any variations to these letters) with each non-executive director setting out the terms and conditions of the engagement; and
- employment agreement (including any variations to these agreements) with each executive director and Executive Leadership Team member, respectively, setting out the terms and conditions of their engagement.

All new non-executive directors are required to sign a formal letter of engagement. In line with the Principles and Recommendations (Fourth Edition), the engagement letters address:

- the requirements to disclose the director's interests and any matters which could affect the director's independence;
- the requirement to comply with key corporate policies;
- when a director may seek independent professional advice at the expense of the Company;
- indemnity, access and insurance arrangements; and
- ongoing confidential obligations.

When a Board vacancy exists, or where it is considered that the Company would benefit from the services of a new non-executive director with particular skills, the People & Culture Committee seeks and selects a panel of candidates with the appropriate skills, experience, expertise and personal qualities that will best complement Board effectiveness and promote Board diversity. This assessment is also based on the Company's Board Skills and Diversity Matrix (referred to in this statement). The Board then appoints the most suitable candidate who must stand for election at the next Annual General Meeting of the Company. Prior to appointing a new non-executive director or putting forward to shareholders a new candidate for election as a director, the Company ensures appropriate background checks are undertaken including as to the person's character, experience and education, and performing searches for any criminal or bankruptcy history.

All material information known to the Company that is relevant to a decision on whether or not to elect or re-elect a non-executive director is included in the relevant meeting materials provided to shareholders.

For a full discussion of the Company's remuneration philosophy and framework and the remuneration received by Key Management Personnel, please refer to the Remuneration Report set out in the Directors' Report of the 2024 Annual Report.

The Board is responsible for determining and reviewing remuneration arrangements for the non-executive directors and the CEO. There is no scheme to provide retirement benefits to non-executive directors, except for superannuation.

The People & Culture Committee comprised the following non-executive directors during the Reporting Period:

- Jane McKellar, Committee Chair;
- Ari Mervis; and
- Alison Cook.

The relevant qualifications and experience of the members of the People & Culture Committee are set out in the Directors' Report (set out in the 2024 Annual Report) and are also published on the McPherson's website.

As at the year ended 30 June 2024, the number of times the People & Culture Committee met throughout the Reporting Period, the members of the People & Culture Committee and the individual attendances of the members at those meetings is set out in the sections below entitled "Directors' and Board Committee Meetings" and "Board Committee Membership".



## **Audit Committee**

The Board has delegated responsibility to the Audit Committee to consider, review and assess the adequacy and effectiveness of the Company's internal control systems and the Company's financial statements (including financial disclosures) to ensure they provide a true and fair view of the financial position and financial performance of the Company.

These responsibilities include the Audit Committee considering, reviewing and assessing:

- the appropriateness of the Company's accounting policies and the consistency of those policies with applicable accounting standards;
- any significant estimates, judgements and unusual transactions;
- the quality of the Company's financial reporting;

The Audit Committee will also make appropriate recommendations to the Board in relation to its financial statements of the Company including disclosure of those financial statements to the market.

The Audit Committee is also responsible for making recommendations to the Board in relation to the appointment, removal and work plans of both the external auditors and the internal auditors (including audit fees, scope of work, the monitoring of management responses to audit questions, review of auditor independence and an assessment of auditor effectiveness).

The Audit Committee operates under a charter approved by the Board that is published on the McPherson's website. The Board disclosed its Audit Committee Charter for the whole of the Reporting Period.

The Audit Committee comprises three non-executive directors:

- Helen Thornton, Committee Chair;
- Ari Mervis; and
- Alison Cook.

The relevant qualifications and experience of the members of the Audit Committee are set out in the Directors' Report (set out in the 2024 Annual Report) and are also published on the McPherson's website.

As at the year ended 30 June 2024, the number of times the Audit Committee met throughout the Reporting Period, the members of the Audit Committee and the individual attendances of the members at those meetings is set out in the sections below entitled "Directors' and Board Committee Meetings" and "Board Committee Membership".

## **Risk & Compliance Committee**

The Board has delegated responsibility for establishing and maintaining a sound risk management and compliance framework to the Risk & Compliance Committee which operates under a charter approved by the Board that is published on the McPherson's website. The Board disclosed its Risk & Compliance Committee Charter for the whole of the Reporting Period.

It is the Board's responsibility to ensure that an effective risk management and compliance framework exists within the Company.

The Risk & Compliance Committee also oversees regular and periodic assessments of the effectiveness of risk management and compliance within the Company throughout the Reporting Period.

McPherson's believes that effective risk management and observance of compliance obligations is an essential part of the Company's governance approach to ethical decision-making and creating long-term shareholder value.

The Board, through the Risk & Compliance Committee, is therefore responsible for overseeing and approving the Risk Management Policy and Internal Control Framework (which is available on the McPherson's website) which is reviewed annually. The Risk Management Policy and Internal Control Framework was reviewed by the Risk & Compliance Committee and the Board during the Reporting Period.

The Risk Management Policy and Internal Control Framework sets the tone for risk and compliance management in the Company. It also sets out how risk management and compliance supports the

Company's goals and objectives, the Company's principles and objectives of, and its approach to, risk management and compliance and the relevant responsibilities for risk management and compliance within the Company.

Under the Risk & Compliance Committee Charter, the Committee has primary responsibility to oversee and make recommendations to the Board about the Company's Risk Management Policy and Internal Control Framework, the effectiveness of the Company's risk management and compliance program in managing such program to minimise losses and to maximise opportunities, the implementation of risk management and compliance action plans prepared by management and to review these plans and the Company's insurance program.

Management, through the CEO, is responsible for the day-to-day implementation and achievement of the Company's risk management and compliance program and objectives. Management reports to the Risk & Compliance Committee which, in turn, reports to the Board on the Company's key risks and compliance obligations and the extent to which it believes these risks and compliance obligations are being adequately managed.

The Risk & Compliance Committee comprises three non-executive directors:

- Alison Cook, Committee Chair;
- Helen Thornton; and
- Jane McKellar.

The relevant qualifications and experience of the members of the Risk & Compliance Committee are set out in the Directors' Report (set out in the 2024 Annual Report) and are also published on the McPherson's website.

As at the year ended 30 June 2024, the number of times the Risk & Compliance Committee met throughout the Reporting Period, the members of the Risk & Compliance Committee and the individual attendances of the members at those meetings is set out in the sections below entitled "Directors' and Board Committee Meetings" and "Board Committee Membership".

## Statement of Values

Recommendation 3.1 of the Principles and Recommendations (Fourth Edition) states that "*A listed entity should articulate and disclose its values*".

McPherson's believes that our success is derived from our commitment to living out a set of values that inform who we are and the way we work and interact with our employees, customers, partners and suppliers.

These values are vitally important to the achievement of our business and organisational goals and to the creation of long-term and sustainable growth for our shareholders and other stakeholders. Our values reflect who we are as a company and what we stand for as well as what we do not support as a 'good corporate citizen'.

It is important that our employees and the people and entities we deal with on a day-to-day basis understand and are aligned with our values and understand why they are so important to us. They enhance the confidence that our employees and others have in our ability to achieve our Company's purpose.

We seek to model our values through our recruitment, employment conditions, training, professional development, remuneration and procurement practices.

We believe that delivering long-term, consistent shareholder returns on investment requires our continuing commitment to the values contained in this statement.

The Board disclosed its Statement of Values for the whole of the Reporting Period.

## Diversity and inclusion at McPherson's

The Company values diversity and inclusion and recognises the benefits they can bring to the Company's ability to achieve its strategic goals. Accordingly, the Company has established a Diversity and Inclusion Policy which reflects the Company's commitment to providing a workplace environment in which employees have equal access to the opportunities available, where they are not judged by reference to unlawful or irrelevant attributes, and employees can experience a genuine feeling of inclusion and belonging.

The main objectives of this policy are to ensure that McPherson's:

- maximises the value of each employee's skills, values, background and experiences;
- develops an inclusive workplace environment, so each employee can realise their full potential, regardless of their gender identity, age, disabilities, work status, marital or family status, religious or cultural identity and socio-economic background, perspective and experience;
- has zero tolerance for discrimination, harassment, vilification or victimisation; and
- adopts recruitment and selection practices at all levels which are appropriately structured so that a broad range of candidates are considered, and guarding against conscious or unconscious biases that may result in discrimination.

A diverse workforce is one that recognises and embraces the value that different people can bring to a company through their gender, age, ethnicity, ability, cultural background, marital status and family responsibilities, sexual orientation and/or religious beliefs. It may also include other ways in which people are different, such as education, life experience, work experience and socio-economic background.

Inclusion refers to the adoption of workplace practices and behaviours which respond to people to ensure that each individual feels included in workplace activities. It involves both including people in opportunities and promoting a workplace in which individuals have a genuine sense of belonging.

McPherson's believes that promoting a diverse workforce:

- enables the Company to achieve improved outcomes by benefiting from the differing perspectives and expertise that people from diverse backgrounds bring to their roles;
- enables the Company to better attract, retain and motivate employees from the widest possible pool of available talent;
- enhances employee engagement;
- enables the Company to provide an enhanced service to its customers;
- better represents the diversity of McPherson's stakeholders; and
- is consistent with the Company's broader corporate governance principles, specifically as set out in the Code of Conduct, the Ethical and Responsible Business Conduct Policy and the Diversity and Inclusion Policy.

The Company promotes a diverse workforce by aiming to ensure that all employees and applicants for employment are fairly considered according to their skills, qualifications, abilities and aptitudes without regard to factors that are irrelevant to the person's skill or their ability to fulfil the inherent job requirements.

The Company has adopted the following initiatives to specifically assist with improving gender diversity:

- promoting a safe work environment by taking action against inappropriate workplace and business behaviour (including discrimination, harassment, bullying, victimisation and vilification);
- recognising that employees (both female and male) at all levels may have domestic responsibilities and adopting flexible work practices that will assist them in meeting those responsibilities;
- providing opportunities for employees on parental leave to maintain their connection with the Company; and
- supporting the promotion of women to management roles.

The Board establishes measurable objectives for achieving gender diversity in the composition of its Board, Executive Leadership Team, senior managers and workforce generally, and considers the appropriateness of the objectives on at least an annual basis. The current gender diversity objectives are to:

- maintain the strong representation of women within the Group by having the proportion of women employed by the Company at or above 50%;
- increase the representation of women in executive positions, with the minimum target proportion being at least 50%; and

- maintain the representation of women on the Board, with the target proportion being at least 50%.

For the purposes of its gender diversity objectives, the Board defines ‘**Executive Leadership Team**’ as being employees of the Company who:

- hold primary responsibility for their department or business unit;
- influence organisational decision making; and
- report directly to the Chief Executive Officer & Managing Director.

The following table sets out the Group’s actual position in relation to gender diversity as at 30 June 2024:

|   | Male | Female | Total | % Female |
|---|------|--------|-------|----------|
| Total Employees (excluding executives)                                    | 84   | 160    | 244   | 66%      |
| Number of Executive Leadership Team members (including Managing Director) | 5    | 5      | 10    | 50%      |
| Number of Non-Executive Directors   | 1    | 3      | 4     | 75%      |

The Board has disclosed its Diversity and Inclusion Policy for the whole of the Reporting Period. The Company’s Diversity and Inclusion Policy is available under the “Investor Centre/Corporate Governance” tab on the McPherson’s website.

A copy of the Company’s Workplace Gender Equality Public Report for the 12-month period 1 April 2023 to 31 March 2024 (**2023-2024 McPherson’s Report to the Workplace Gender Equality Agency**) is also available under the “Investor Centre/Corporate Governance” tab on the McPherson’s website.

## Board and Executive Leadership Team Performance Evaluation

### *Board and Board Committees*

The effective functioning of the Board, along with the performance of the Company’s Executive Leadership Team, is a crucial element to achieving the desired financial, non-financial and governance outcomes for the Company. Performance of the Board, the Board Committees and individual directors is evaluated regularly and formally once per year.

The process normally involves:

- directors completing questionnaires to assess the Board’s and its Committees’ effectiveness and in meeting the requirements of their respective charters; and
- individual directors meeting with the Chair to provide feedback and discuss the review.

During the Reporting Period, a Board and Committee performance evaluation was conducted by the Board and each of its Committees.

### *CEO*

Performance of the CEO is evaluated regularly and formally once per year by the Board against both measurable quantitative and qualitative indicators that are aligned with financial, non-financial and governance outcomes, as set by the Board.

A review of the performance of the CEO was conducted for the Reporting Period.

### *Executive Leadership Team*

Performance of the executive leaders is evaluated regularly and formally once per year by the CEO against both measurable quantitative and qualitative indicators that are aligned with financial, non-financial and governance outcomes, as set by the CEO and the Board.

As a majority of the current Executive Leadership Team commenced employment during the Reporting Period (and some commenced employment late in the Reporting Period), performance reviews of individual executive leaders will take place later in calendar year 2024.

### *Outcomes*

Outcomes of Board performance evaluations are discussed by the Board. For individual non-executive directors, if any areas are identified for improvement, this may be dealt with by informal mentoring and coaching by fellow directors or by the Board Chair. Further formal training and professional

development activities may also be required for non-executive directors. In any case, all non-executive directors are encouraged to participate in continuing professional development.

If non-executive director performance is considered unsatisfactory, and not able to be improved significantly despite best efforts, the non-executive director would be requested to retire.

For the CEO and other executive leaders, if performance is considered unsatisfactory, and not able to be improved significantly despite best efforts, the executive would be removed.

## **CEO and CFO certification**

The CEO and the CFO provide, and have both provided, a written declaration to the Board for the Reporting Period that complies with section 295A(2) of the *Corporations Act 2001*(Cth) that, in their opinion:

- the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*(Cth);
- the financial statements and the accompanying notes to the financial statements of the Company comply with the accounting standards;
- the financial statements and the accompanying notes to the financial statements give a true and fair view of the financial position and of the performance of the Company and the consolidated Group for the financial year; and
- that the Company has complied with all other matters prescribed by the regulations in relation to the financial statements and the accompanying notes to the financial statements.

The CEO and the CFO have each given a written assurance to the Board that:

- the opinion forming the basis for the declaration made by each of them, and referred to above, was formed on the basis of a sound system of risk management and internal control which is operating effectively; and
- in accordance with Recommendation 4.2 in the Principles and Recommendations (Fourth Edition), the declaration above is founded on a sound system of risk management and internal control which implements policies adopted by the Board operating efficiently and effectively in all material respects in relation to the business and financial reporting risks.

## **Verifying the integrity of Periodic Corporate Reports**

The Company's half year financial results are reviewed by the Company's external auditor and the Company's full year financial results are audited by the Company's external auditor in accordance with the requirements of the *Corporations Act 2001*(Cth).

However, in between these formal corporate reports, during the Reporting Period, McPherson's has released to the market various periodic corporate reports containing financial, operational and general market update information (that is not externally audited or reviewed by the Company's external auditor).

This practice, which is common among listed entities, is in furtherance of:

- the Company's commitment to continue to effectively engage and communicate with our shareholders and other stakeholders about the Company's activities throughout the Reporting Period (see the "Continuous Disclosure Policy" section below); and
- the idea, that by doing so, the Company can assist to ensure that trading in the Company's securities takes place in a market which is orderly and informed and which is not, or is not likely to be, false.

The Company seeks to ensure to provide information to the market that is consistent with the Company's continuous disclosure obligations under the Australian Securities Exchange (**ASX**) Listing Rules 3.1 and 3.1A and section 674 of the *Corporations Act 2001*(Cth) and which is not misleading.

To achieve this, the Company has systems and processes in place to manage, organise and record financial and operational information including information relating to customer activities, orders and commitments. The Company also has an electronic accounting system that includes the required segregation of duties and records of workflows.

Depending on the type and nature of the information to be disclosed to the market, appropriate members of Executive Leadership Team are involved in the preparation of the various periodic

corporate reports for release to the market. These periodic corporate reports are reviewed by the Executive Leadership Team (other than the person who prepared them) as well as by the CEO and the CFO. Prior to release to the market these periodic corporate reports are also reviewed by and, if appropriate, approved by the Board. These periodic corporate reports are therefore subjected to a rigorous quality assurance process and review to ensure that the information to be released to the market has been verified as accurate and is not misleading.

These systems and processes combine to ensure that the Company's periodic corporate reports are materially accurate, balanced and provide investors with appropriate information to make informed investment decisions.

## **External Auditor**

The external auditor is invited to attend each AGM of the Company as required by section 249K of the *Corporations Act 2001* (Cth).

The Company also ensures that the external auditor confirms attendance at the AGM and that members are given a reasonable opportunity to ask questions of the external auditor at the AGM (pursuant to section 250T of the *Corporations Act 2001* (Cth)).

The Company also provides a means whereby members can ask and send to the Company or the Company's share registry services provider, advance questions to the external auditor to be answered at the Company's AGM.

## **Continuous Disclosure Policy**

Pursuant to Recommendation 6.2 of the Principles and Recommendations (Fourth Edition), the Company's objective is to promote effective two-way communication with its shareholders, and is committed to:

- ensuring that shareholders and the financial markets are provided with full and timely information about the Company's activities in a balanced and understandable way;
- complying with the continuous disclosure obligations contained in the ASX Listing Rules and the *Corporations Act 2001* (Cth); and
- communicating effectively with shareholders and making it easy for shareholders to communicate with the Company.

The Company's Continuous Disclosure Policy is published in the "Investor Centre/Corporate Governance" tab of the McPherson's website. The Board disclosed its Continuous Disclosure Policy (formerly known as the "ASX Announcements and Communication Policy") for the whole of the Reporting Period.

To promote effective communication with shareholders and encourage effective participation at general meetings, information is communicated to shareholders:

- through the release of information to the market via the ASX;
- through the Annual Report and notices of general meetings;
- through letters and other forms of communications directly with shareholders; and
- by publishing relevant information on the McPherson's website.

The McPherson's website has a dedicated "Investor Centre/Corporate Governance" tab for the purpose of publishing important Company information and relevant announcements made to the market.

The Company also provides its shareholders with the option to receive communications from, and send communications to, the Company and the Company's share registry electronically.

The Board is sent an email by management notifying them of, and supplying a copy of, all ASX announcements made to the market. In addition, the Board is provided with a summary of all ASX announcements made in the immediately preceding period (usually monthly) at each regular Board meetings.

## Whistleblower Policy

The Company is committed to engaging in ethical decision-making, being legally compliant and acting consistently with good corporate governance standards and community expectations. Accordingly, the Board disclosed its Whistleblower Policy for the whole of the Reporting Period. The Company's Whistleblower Policy is published under the "Investor Centre/Corporate Governance" tab of McPherson's website.

The Company strongly encourages and provides a readily accessible means to report undesirable behaviours such as unethical, unlawful, fraudulent or otherwise misconduct involving the Company, any member of McPherson's group of companies or any director, officer or employee, contractor, supplier to or other person dealing with these entities.

The Company also ensures that whistleblowers can make reports under the Company's Whistleblower Policy (anonymously, if they so choose and confidentially):

- without fear of intimidation, retaliation or adverse employment action being taken against them; and
- by way of a contracted qualified third-party whistleblower services provider, telephone, email and ordinary mail.

## Anti-Bribery and Anti-Corruption

Under the Company's Code of Conduct, McPherson's team members must not engage in any unethical or improper behaviour or practices to obtain business or for personal gain.

In particular McPherson's team members must not:

- engage directly in any bribery;
- be party to the bribery of public officials; or
- establish 'slush funds' to facilitate bribery or other improper or questionable practices.

McPherson's team members risk having their employment terminated if it is shown that they knowingly made or received a bribe or inducement to or from any third party, even if such a transaction is to further the cause of the Company.

Any McPherson's team member who believes they know of any fraud, corruption, irregular transactions or breach of ethics has a duty to raise that matter with their supervisor or manager, the Chief People Officer or the CEO (and, anonymously if they wish, through the Company's whistleblower hotline) which will be handled in strictest confidence and in accordance with law.

If a McPherson's team member believes reporting their concerns to their immediate manager or supervisor or to anyone else within the Company is inappropriate, the report may be made (anonymously if they wish) directly to the Company's whistleblower hotline.

The Company will fully cooperate with any investigation into unlawful behaviour conducted by law enforcement authorities.

## Environmental, Social and Governance Risks

The past year has seen substantial changes, both internally and externally, in ESG focus both at the operational and regulatory levels.

In Australia, the Company has seen the pending introduction of mandatory climate related financial disclosure as well as the pending introduction of Extended Producer Responsibility for product packaging. At present, McPherson's will be required to commence its first year of climate related financial disclosure reporting (and based on the current timetable in applicable legislation this is anticipated to be for the financial year commencing 1 July 2027).

Given the evolving legislative regulatory landscape, changing market and stakeholder expectations and the transformative changes within our business, during FY24 McPherson's carried out an independent ESG materiality assessment. This assessment involved an analysis of aspects of ESG that are highly relevant to our business as well as information received from a variety of our stakeholders including shareholders, customers, suppliers and our people. This assessment has directed our current ESG focus and enables us to refocus our ESG efforts, to realign our goals and lay the solid foundations to address the Company's identified ESG priorities.

ESG In FY24, we:

- completed our baseline Scope 1,2 and 3 Green House Gas emissions footprint;
- completed our ESG materiality assessment;
- continued the work to transition our brands to meet the goals of the National Packaging Targets;
- incorporated climate risks into our Enterprise Risk Register; and
- improved visibility into our supply chain through our SEDEX membership (which is the world's largest data platform for ESG related supply chain assessment. With over 85,000 members globally, the platform enables McPherson's to analyse sustainability practices across our supply chain).

Our focus for FY25 will be to continue our work to embed our ESG priorities in our business for long-term value creation for our shareholders and stakeholders.

Our sustainability priorities moving forward will be centred around delivering on our product packaging (i.e. seeking to meet relevant and applicable sustainability requirements for the packaging of our products), delivering a sustainable supply chain (i.e. seeking to ensure our supply chain meets relevant and applicable sustainability standards and relevant laws and regulations) and preparing for our upcoming mandatory climate related financial disclosure requirements.

Our ESG risks are identified and managed by management and are overseen by the Company's Risk & Compliance Committee and the Board. Quarterly ESG reports on risk management, including ESG risks, are provided to the Risk & Compliance Committee. Monthly progress reports on implementation of the Company's ESG priorities are provided to the Board.

## **McPherson's Securities Trading Policy**

The McPherson's Securities Trading Policy (published on the McPherson's website) sets out the Company's requirement for dealing in the Company's securities by its Key Management Personnel (**KMP**), other Senior Executives and employees of the Company or any McPherson's group company.

The policy:

- prohibits the dealing in the Company's securities by the Company's KMP, other Senior Executives and employees at any time when they are in possession of Price Sensitive Information that has not been released to the market;
- prohibits the dealing in the Company's securities by the Company's KMP, other Senior Executives and employees during the following designated Blackout Periods:
  - ❖ from 30 November until the beginning of trading on the first trading day after the day that the half-year results are announced to the market (usually toward the end of February);
  - ❖ from 31 May until the beginning of trading on the first trading day after the day the full year results are announced to the market (usually toward the end of August);
  - ❖ from 4 weeks prior to the AGM until the beginning of trading on the first trading day after the day of the AGM; and
  - ❖ any other period designated as a Blackout Period by the Board.
- requires KMP and other Senior Executives to seek approval from the General Counsel & Company Secretary (in consultation with the Board Chair) which must be granted in writing before Dealing in the Company's securities is permitted. Such approval will be valid for five (5) Business Days from and including the date it is granted, unless the person requesting the approval comes into possession of Price Sensitive Information during that period. In that event, the approval will cease to apply immediately from the time that person comes into possession of any Price Sensitive Information; and
- provides that, subject to not being in possession of Price Sensitive Information, dealing in the Company's Securities during a Blackout Period may be permitted:
  - ❖ if they are permitted and approved as Acceptable Dealings; or
  - ❖ if they are permitted and approved by the existence of Exceptional Circumstances; or



- ❖ if such dealings are otherwise approved in writing by the General Counsel & Company Secretary (in consultation with the Board Chair);
- applies to the Dealing in the Company's Securities inside and outside of Australia;
- explains that insider trading is a serious criminal offence under the *Corporations Act 2001* (Cth).

The Policy contains a procedure for obtaining prior written trading clearance from the General Counsel & Company Secretary and the exceptions to the restrictions in dealing in the Company's Securities (i.e. Acceptable Dealings and Exceptional Circumstances).

Neither a member of KMP or other Senior Executive may deal in the Company's securities during a Blackout Period without first obtaining written clearance from the General Counsel & Company Secretary (or the CEO if the Senior Executive is the General Counsel & Company Secretary).

Only if there is an Acceptable Dealing or an Exceptional Circumstance will a trading clearance be given for a member of KMP or other Senior Executive within a Blackout Period.

No member of KMP or other Senior Executive:

- entitled to an equity based component of incentive remuneration, may trade or commit to trade in the Company's securities, trade in a derivative security product or enter into any arrangement in such a way as to limit their exposure to risks in relation to any unvested part of an equity based remuneration component without the prior consent of the General Counsel & Company Secretary (or the CEO if the Senior Executive is the General Counsel & Company Secretary);
- may include their securities in a margin loan portfolio or otherwise deal in securities pursuant to a margin lending arrangement without first obtaining the consent of the General Counsel & Company Secretary (or the CEO if the Senior Executive is the General Counsel & Company Secretary); and
- may engage in short-term, speculative trading or short selling of the Company's securities.

As required by ASX Listing Rules, the Company notifies the ASX of any transaction in the Company's securities by a director.

The Board disclosed the McPherson's Securities Trading Policy for the whole of the Reporting Period.