



Corporate Governance 2022

Who we are

United Malt is the fourth-largest commercial maltster globally, producing ingredients for the brewing, distilling and food markets, with processing facilities and warehouses in Canada, the United States of America, Australia, the United Kingdom and New Zealand.

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Our Purpose and Values

Purpose	Creating ingredients that bring people together		
Ambition	FOR OUR CUSTOMERS To be our customers' preferred partner in quality, service and innovation	FOR OUR SHAREHOLDERS Deliver sustainable growth and returns	FOR OUR EMPLOYEES Foster an inclusive and development-focused employee experience anchored in continuous improvement, innovation and a passion for our ingredients

Values

SAFETY

INTEGRITY

PASSION

QUALITY

Overview

This Corporate Governance Statement outlines the governance framework and main governance practices of United Malt Group Limited (United Malt or Company) and its subsidiaries for the financial year ended 30 September 2022 (reporting period). During that time, United Malt's governance practices were consistent with the 4th Edition of the ASX Corporate Governance Principles and Recommendations (the ASX Principles and Recommendations).

This statement, together with the Appendix 4G (Key to Disclosures), has been lodged with the ASX. The information contained in this statement is current as at 14 November 2022 and has been approved by the Board.

United Malt's 2022 Corporate Governance Statement, Constitution, Board and Committee Charters and corporate governance policies are available on United Malt's website at <https://www.unitedmalt.com/corporate-governance/> as are the 2022 Annual Report and Sustainability Report.

Roles and Responsibilities

Board and Management Roles and Responsibilities

The Board is ultimately accountable to shareholders for the performance of United Malt. The primary objective of the Board is to build long-term value for shareholders with due regard to the legitimate interests of the Company’s other stakeholders including customers, employees, creditors, suppliers and the communities in which the Company operates.

The Board has responsibility for providing good governance, sound strategic guidance and effective oversight of management’s performance.

A key part of the Board’s role is to approve the Company’s purpose and values, to provide the overall strategic direction and to monitor performance against strategic plans, good governance practices and the Company’s values.

The Board has a charter which sets out its roles and responsibilities and describes the matters reserved for the Board and those matters delegated to senior management. Senior management is accountable to the Board for the performance and management of the Company and, among other things, takes primary responsibility for creating a safe workplace for all employees and for conducting the Company’s business in compliance with the Company’s values.

Further information on the roles and responsibilities of the Board and senior management can be found in the Board Charter which is available on the United Malt website.

Role of the Company Secretary

Lisa Jones was appointed as the Company Secretary of United Malt on 23 March 2020, at the time of its admission to ASX. Ms Jones’ qualifications and experience are set out in the Directors’ report on page 25 of the 2022 Annual Report. The Company Secretary is appointed by the Board and is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. All Directors have access to the Company Secretary for all Board and governance related issues. Further details on the role of the Company Secretary are set out in United Malt’s Board Charter.

Director Independence

The Board requires a majority of its Directors to be independent. Currently, all six Non-Executive Directors are independent, namely Graham Bradley AM, Barbara Gibson, Jane McAloon, Patrick E. Bowe, Terry Williamson and Gary W. Mize. Mark Palmquist as the Company’s Managing Director and CEO (CEO) is the only Executive Director and is, therefore, not considered to be independent.

The Board considers an independent Director to be one who is not a member of management and who is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring independent judgement to bear on issues before the Board and to act in the best interests of the United Malt Group as a whole rather than in the interests of an individual securityholder or other party. Directors are required under their terms of appointment to advise the Company of any actual, potential or perceived conflicts of interest and to provide notice of any proposed Board or Executive appointments, in addition to the matters which must be disclosed in accordance with the *Corporations Act 2001* (Cth) (Corporations Act) and ASX Listing Rules. The Board assesses the independence of its Non-Executive Directors upon appointment and then at least annually, having regard to the criteria for independence set out in the ASX Principles and Recommendations.

Access to Information and Independent Advice

Directors are entitled to access members of senior management and the internal and external auditors.

Directors may access such information and seek such independent advice as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgement in decision making, including seeking independent professional advice at the Company’s expense, subject to prior consultation with the Chairman.

Conflicts of Interest

The Board charter sets out disclosure obligations and procedures to be followed by Directors in the event of a conflict or potential conflict of interest or duty. Directors have an ongoing obligation to disclose to the Board immediately any actual, potential or perceived conflicts of interest which may exist, as soon as they become aware of the issue.

Performance Evaluation

Board

Each year, the Board will review the effectiveness of its own performance and that of its committees, as well as the contribution of individual Directors to the effective functioning of the Board. These reviews are conducted through an internal process and the performance review may be facilitated by an external consultant periodically.

The performance of the Board and its committees was evaluated during the reporting period. This performance review process included one-on-one discussions between the Chairman, each individual director and the Company Secretary, and a performance evaluation questionnaire facilitated by the Company Secretary completed by directors and, where appropriate, certain executives. The outcomes of the review were discussed by the Board and its Committees.

Senior Executives

The CEO and Executive Leadership Team (ELT) are also subject to an annual performance review in which performance is measured against agreed outcomes and performance indicators. The CEO is responsible for monitoring the performance of each member of the ELT. The CEO is also responsible for ensuring that there is an effective succession planning process for each ELT position. This process is overseen by the Nominations and Remuneration Committee.

The members of the ELT are listed on page 22-23 of the Company’s 2022 Annual Report.

Each Executive has a written position description, employment contract and annual Key Performance Indicators (KPIs). The CEO, in consultation with the Nominations and Remuneration Committee, reviews the performance of the members of the ELT against their KPIs and the Company’s values. For the reporting period, performance reviews of the Executive Leadership Team were conducted by the CEO, in consultation with the Nominations and Remuneration Committee and the performance of the CEO was reviewed by the Board in consultation with the Committee.

Minimum Shareholding Policy

The Board has adopted a policy requiring each Non-Executive Director, the CEO and Executive Leadership Team to accumulate a minimum shareholding within five years of appointment as follows:

- Non-Executive Directors – 100% of base fees (including superannuation but excluding committee fees)
- Managing Director and CEO – 200% of base salary (excluding any allowances, pension and superannuation)
- Executive Leadership Team – 100% of base salary (excluding any allowances, pension and superannuation)

In order to comply with the policy, Executives are required to retain all shares acquired from participation in the United Malt employee incentive plan (other than shares sold to cover tax obligations) until such time as they meet the minimum shareholding. They are not expected to buy shares on-market to reach the minimum shareholding.

Once the minimum shareholding has been met, it must be maintained as long as the Director remains on the Board or the Executive remains a member of the Executive Leadership Team. The Nominations and Remuneration Committee reviews progress of Directors and Executives against the shareholding requirement annually.

Board Composition and Succession

The Board currently has seven Directors comprising six Non-Executive Directors and one Executive Director, the CEO.

Each Director and their date of appointment is listed in the table below. Details of each Director’s qualifications and experience are set out in United Malt’s Annual Report, as are their committee memberships.

Independent Non-Executive Directors	Date of Appointment
Graham Bradley AM, Chair	13 January 2020*
Patrick E. Bowe	1 September 2022
Barbara Gibson	13 January 2020*
Jane McAloon	13 January 2020*
Gary W. Mize	23 October 2020
Terry Williamson	23 March 2020
Executive Director	
Mark Palmquist	13 January 2020*

*Appointed as a Director of United Malt Group Limited on 13 January 2020, conditional upon the demerger from GrainCorp becoming effective. The Company listed on ASX on 23 March 2020.

Director Appointment, Election, Induction and Development

United Malt undertakes appropriate background checks before appointing a new Director or senior Executive and each Non-Executive Director is given a formal letter of appointment which sets out the key terms and conditions of their appointment, including Directors’ duties, rights and responsibilities, the time commitment envisaged and expectations requiring involvement with the Board’s Committees.

The Company will hold its next annual general meeting (AGM) on 10 February 2023. The Notice of AGM will include information on each Director standing for election and re-election, including information on the Director’s background and experience.

Upon appointment, Directors undertake a comprehensive induction programme covering United Malt’s financial, strategic, operational and risk management positions. This includes briefings from the CEO and key senior Executives on the Company’s business and strategic plans, culture and values, policies, operations and the environment and sectors in which it operates. The programme also includes meeting with external and internal auditors, and other advisors; and discussions with the Chair, Committee chairs and the Company Secretary. With our North American based Directors, the Company Secretary meets with them as needed and provides relevant reference material to ensure that they are familiar with their duties and responsibilities under key legislation and ASX listing rules, with particular attention to providing information on ASX’s continuous and periodic reporting requirements.

The induction programme includes site visits to a number of United Malt’s key operations. For those Directors appointed at the time of demerger, these visits were delayed due to travel restrictions related to COVID. The visits were rescheduled and took place in 2022 with Directors visiting the Company’s facilities in Australia, Canada and North America at various times during the year. The Company held a programme of strategy discussions and site visits in Canada and North America over seven days in July 2022 which a majority of Directors and senior management attended in person. Directors have access to virtual tours of the Company’s production facilities and distribution centres so that Non-Executive Directors can familiarise themselves with the Company’s facilities pending site tours being undertaken.

The Board (in consultation with the Nominations and Remuneration Committee) will regularly assess, including by reference to the Board skills matrix, whether there are areas in which Directors would benefit from further education. Based on this assessment, the Board will organise updates and information sessions from both management and external advisors on issues relevant to the Company which might include new and emerging business, industry and governance issues and material developments in laws and regulations.

Board Skills Matrix

The United Malt Board aims to be a Board of Directors which has, at all times, the appropriate mix of skills, experience, expertise and diversity relevant to United Malt’s business and strategic objectives and the Board’s duties and responsibilities. The Board also strives for gender diversity and relevant geographic experience within these skill sets.

The Board skills matrix below describes the combined skills, experience and expertise presently represented on the Board and which it will aim to maintain. The Board considers the key skills to be well covered by its current Directors.

The Board, with the assistance of the Nominations and Remuneration Committee, regularly reviews the range of skills, knowledge, experience and diversity which the Board currently has and is looking to achieve in the future; and revised its Board skills matrix in 2022.

As a result of its ongoing assessment of its composition and Board skills matrix during the year, the Board decided to recruit additional North American based Directors with relevant executive industry experience. This led to the appointment of Patrick Bowe on 1 September 2022. Our review of the Company’s future business opportunities suggested that it would be helpful to strengthen the Board’s experience with food and beverage industry expertise, including global trends in ingredient sourcing and procurement, and food product innovation and technology developments. Accordingly, this will be a key criterion for a future Board appointment.

Board Skills Matrix

Skills/Experience	Description
Agricultural industry experience	Understanding of the economics of farm commodities including commodity trading and procurement and related risk management.
Food ingredient supply and distribution	Experience with business-to-business marketing and distribution management along the food ingredients supply chain.
Industrial manufacturing operations	Familiarity with large-scale manufacturing operations management and related safety and environmental risk management relevant to agricultural product processing.
Strategy and Business Acumen	Experience in developing, implementing and monitoring progress of successful business strategies, applying business acumen and judgement to grow shareholder value.
Leadership	Experience in senior leadership roles, including as a Director or CEO of a major listed business.
Board and Governance	Experienced Non-Executive Director with a strong commitment to good governance and knowledge of compliance and regulatory requirements for listed entities.
Environment, Health and Safety	Experience in effective Board oversight of safety, health and environment policies and compliance and risks including workplace health and safety, food safety risks, and water, energy and waste reduction management policies.
Financial oversight	Experience in management and financial accounting, corporate finance, tax and internal controls and experience analysing financial statements and forecasts, understanding auditing and accounting issues relevant to the preparation of financial statements.
Risk management	Experience in identifying, monitoring and managing material financial and non-financial risks and ability to oversee risk management and compliance frameworks and controls, including trading and operational risks, ESG, cybersecurity and data security risks.
International Operations	Experience as a Director or manager of a multi-geographic organisation, including operating in local political, cultural, regulatory and business environments.
People and Culture	Experience in organisational talent management and corporate culture, employee engagement, leadership development, executive remuneration, organisational transformation, succession planning, and diversity and inclusion policies.
Corporate Sustainability	Experience in, or an understanding of, issues, regulations and reporting requirements concerning environmental, social or governance issues in comparable organisations including stakeholder expectations.

Board Committees

To assist in the discharge of its responsibilities, the Board has established an Audit and Risk Committee, Nominations and Remuneration Committee and Environment, Health and Safety Committee as standing committees. Under their respective charters, each Committee must consist of a minimum number of Non-Executive and independent Directors and be chaired by independent Directors. The current committee members are set out in the table below. The committee charters are available at www.unitedmalt.com/corporate-governance.

Committee	Members	Composition
Audit and Risk Committee (ARC)	Terry Williamson (Chair) Patrick E. Bowe Barbara Gibson Jane McAloon	<ul style="list-style-type: none">at least three independent Non-Executive Directorschaired by an independent Director who is not the Chair of the Board
Nominations and Remuneration Committee (NRC)	Jane McAloon (Chair) Graham Bradley Gary W. Mize	<ul style="list-style-type: none">at least three members, all of whom shall be independent Non-Executive Directors.
Environment, Health and Safety Committee (EHSC)	Gary W. Mize (Chair) Barbara Gibson Patrick E. Bowe Terry Williamson	<ul style="list-style-type: none">at least three members, a majority of whom are independent Non-Executive Directors.chaired by an independent Director.

The Board has also established a Disclosure Committee to assist it in fulfilling its continuous disclosure obligations. This Committee is referred to later in this statement.

The Board and Committee Charters are regularly reviewed, and the Board will periodically review membership of its standing Board Committees to ensure the composition of each Committee remains appropriate.

As and when required, the Board establishes special purpose committees to consider specific matters and, where required, approve certain matters within Board approved parameters.

Details of attendance by our Directors at Board and committee meetings held during the reporting period are included in the Directors’ report on page 26 of the 2022 Annual Report. All Board members have access to all committee meeting papers and may attend any committee meeting, where there is no conflict of interest. The roles and responsibilities of each committee are set out in the respective committee charters and are summarised in the relevant sections of this statement.

Diversity and Inclusion

United Malt is committed to fostering, cultivating and preserving a culture of diversity and inclusion. We believe our employees are our most valuable asset and the sum of their individual experiences, knowledge, backgrounds and unique capabilities is valuable to the success of our organisation. United Malt acknowledges the positive outcomes and better overall performance that can be achieved through a diverse workplace, including the ability to attract, retain and motivate Directors, officers and employees from the widest possible pool of available talent. United Malt recognises and utilises the contribution of diverse skills and talent from its Directors, officers and employees and that in order to have an inclusive workplace, discrimination, bullying, harassment, vilification and victimisation cannot and will not be tolerated.

United Malt’s Diversity and Inclusion Policy is available on the United Malt website at www.unitedmalt.com/corporate-governance.

United Malt’s Diversity and Inclusion model is based around three principles – Seek, Create and Drive.

- Seek Diversity – Increase diversity in candidate pools. Provide education to hiring managers on interview structure and ensure an inclusive process. Raise awareness and share our diversity and inclusion goals.
- Create Inclusion – Leverage diverse perspectives for the benefit of the business. Bring awareness to unconscious bias through training.
- Drive Accountability – Develop an environment that promotes free speaking, multiple perspectives and speaking out against biases.

Further details on diversity and inclusion at United Malt can be found in the Company’s Sustainability Report.

Gender Diversity

The Board has set the following measurable objectives for achieving gender diversity in the composition of the Board, senior management and workforce generally (**Objectives**). The Board will assess United Malt’s progress in achieving the Objectives annually and report on this in its annual report.

Group	Target Female representation by 2025
Non-Executive Directors	40%
Senior Executives, Senior Leaders and Senior Managers (CEO-3)	45%
All other employees	35%

To support achievement of the Company’s gender diversity objectives and the Company’s broader diversity principles, key initiatives are currently being delivered in each of our operating geographies and are initially focused on the Create Inclusion principles. During FY22 unconscious bias training was deployed, with the training completed by 122 employees. The Company also became a signatory to the HESTA 40:40 vision, an investor-led initiative to achieve gender balance in executive leadership across all ASX 300 companies by 2030. Further details are found in United Malt’s Sustainability Report on page 18.

As we move into 2023, the Company will continue to focus on building internal awareness about the value of increasing gender diversity at United Malt and on talent acquisition processes and target selection from a more diverse pool of candidates, which is more reflective of the workplace diversity we are aiming to achieve.

FY22 Headcount by Gender and Level¹

Level	Female	Female %	Male	Male %	Total Number
Non-Executive Directors	2	33%	4	67%	6
Executive Leaders ²	2	33%	4	67%	6
Senior Leaders ³	13	30%	31	70%	44
Senior Managers ⁴	25	27%	69	73%	94
All other employees ⁵	204	26%	574	74%	778
Total	246	27%	681	73%	927
Sub-total Leaders/Mangers	40	28%	103	72%	143

FY21 Headcount by Gender and Level¹

Level	Female	Female %	Male	Male %	Total Number
Non-Executive Directors	2	40%	3	60%	5
Executive Leaders ²	3	43%	4	57%	7
Senior Leaders ³	12	29%	30	71%	42
Senior Managers ⁴	21	23%	71	77%	92
All other employees ⁵	199	26%	561	74%	760
Total	237	26%	669	74%	906
Sub-total Leaders/Mangers	36	26%	105	74%	141

Notes:

- 1
- During the year we re-defined the way we measure gender performance at the leadership and management levels following consolidation and realignment of responsibilities in North America, as we consolidate the US and Canadian operations. The data in the 2021 table has been recalculated and presented according to the new classifications (explained in notes 2-5 below) so as to provide consistent year on year comparison. The 2021 data has also been corrected due to a minor inconsistency reported last year.
- 2
- Executive Leader: Chief Executive Officer and ELT.
- 3
- Senior Leader: Vice Presidents, General Managers and Directors
- 4
- Senior Managers: People Managers
- 5
- Employees: Managers with no direct reports and all other employees

Ethical Conduct and Responsible Decision Making

United Malt’s values are safety, integrity, passion and quality. These values guide us in how we approach each day in delivering the best for our customers, shareholders and employees and inform the standards and behaviours that United Malt expects of its Directors, senior executives, employees and partners.

United Malt is committed to observing the highest standards of ethical corporate behaviour. It has a number of policies that are designed to promote a culture of acting lawfully, ethically and honestly and which also provide guidance on expected behaviour in specific situations. These policies are summarised below and are available on our website at www.unitedmalt.com/corporate-governance.

Code of Conduct

United Malt has adopted a Code of Conduct which outlines how it expects its Directors, employees and contractors to behave and conduct themselves towards each other, customers and other stakeholders and in the communities in which United Malt operates. The Code requires compliance with both the spirit and the letter of the laws of every country in which we operate, but the standard we expect of our people goes beyond the legal minimum requirements.

The Code is designed to:

- foster a culture of sound, ethical conduct which is consistent with United Malt’s values;
- promote a culture in which people feel comfortable in raising concerns;
- ensure that good behaviour, performance and achievements are recognised and rewarded;
- ensure that legitimate concerns and questions about the Code and the behaviours it promotes can be raised; and
- ensure that appropriate action is taken to address behaviours inconsistent with the Code.

The Code is underpinned by a number of relevant policies and procedures relating to particular situations and dealings and encourages anyone who becomes aware of unethical behaviour to report it, including through the confidential and independent external ethics portal established by United Malt as referred to below in relation to the Whistleblower Protection Policy.

Environment, Health and Safety (EH&S)

United Malt prioritises a healthy and safe environment for all employees, contractors, customers and the community, while seeking to minimise negative impacts to the environment. EH&S is therefore a critical part of United Malt’s business framework and decision making. Further detail on the range of strategies, systems, initiatives and policies in place at United Malt to manage EH&S for employees, contractors and customers is set out in United Malt’s Sustainability Report.

The Board has established a standing Environment, Health and Safety Committee (EHSC). The EHSC assists the Board in fulfilling its responsibilities for corporate governance and oversight of matters of safety, health and environment in relation to the activities and operations of United Malt and members of the United Malt Group. The EHSC’s primary responsibility is to assist the Board to satisfy itself about the integrity, effectiveness and performance of United Malt’s EH&S functions and systems for compliance with legal and regulatory EH&S requirements and the accuracy of United Malt’s external reporting on EH&S matters.

Securities Trading Policy

The Board has adopted a Securities Trading Policy which outlines restrictions in relation to dealing in securities while in possession of inside information. The Policy sets out the process for obtaining clearance to deal by persons classified as designated persons (Directors, senior management and other persons classified as designated officers) under the policy, and imposes the following additional restrictions:

- subject to limited exceptions, all United Malt persons are prohibited from trading the Company’s securities during closed periods;
- short-term or speculative trading in the Company’s securities by United Malt persons is prohibited;
- derivative and hedging arrangements in relation to any of the Company’s securities is prohibited; and
- no United Malt person may grant any form of security over United Malt securities which are unvested or subject to restrictions on disposal, and margin calls are not to be met by the sale of United Malt securities at a time when the relevant United Malt person would not be permitted to trade United Malt securities under the policy.

The Board reviews and approves the list of designated persons regularly to ensure that it is appropriate and current.

Anti-Bribery and Corruption Policy

United Malt has an Anti-Bribery and Corruption Compliance Programme providing a framework that:

- raises awareness of anti-bribery and corruption risks;
- delivers compliance training and promotes ethical business conduct;
- maintains systems and procedures for giving, receiving and registering gifts and hospitality;
- maintains systems and procedures for conducting due diligence on suppliers and other business partners; and
- investigates any reported suspicions of bribery or corruption involving United Malt.

As part of this framework, United Malt has adopted an Anti-Bribery and Corruption Policy which expands on the prohibition against bribery and corruption contained in the Code of Conduct. It has implemented various policies and procedures which underpin the Anti-Bribery and Corruption Policy such as the Gifts and Entertainment Policy and Third-Party Due Diligence Policy.

The Audit and Risk Committee oversees and reviews the Company’s anti-bribery and corruption framework, including the Anti-Bribery and Corruption policy and its applicable procedures and any reported non-compliance.

Supplier and Third-Party Due Diligence

In 2021, United Malt undertook a significant review of its procedures for dealing with third parties; in particular, due diligence checks for third parties. It focused on standardising the compliance information it collects from all suppliers, customers, agents and representatives across its businesses and the procedures for enhanced due diligence where risks are identified in addition to training on dealing with third parties. During FY22, we made progress towards our goal of introducing more detailed supplier engagement materials. We commenced a comprehensive review of supplier due diligence onboarding processes to identify improvements and actions to strengthen supplier governance and risk management, including initiatives to enable automation of our on-boarding process and facilitate risk assessment. We will report in more detail on this in our FY22 Modern Slavery Statement to be released in March 2023.

Whistleblower Protection Policy

United Malt encourages a culture where any officer, employee or contractor does not suffer detriment because of speaking up about potential misconduct concerns. The Board has adopted a formal Whistleblower Protection Policy to provide a safe and confidential environment for people to raise any such concerns without fear of reprisal.

United Malt maintains an independent, external whistleblowing reporting service to provide a safe and confidential environment for reporting concerns or complaints by officers, employees and third parties (EthicsPoint). During the reporting period we reviewed the operation of EthicsPoint and identified some improvements which are currently being implemented to render the service more accessible and to ensure that the service is aligned with the reporting and remediation process being implemented as part of our ongoing Modern Slavery Risk Management Programme (see below).

The Board is immediately informed of any material incidents reported under the Whistleblower Protection Policy and receives regular reports regarding any active whistleblower matter.

During the reporting period the Company received two whistleblower reports.

Modern Slavery Policy

At United Malt, we acknowledge the risk that modern slavery practices may exist within the value chains in which we do business, and that we have a moral responsibility to take actions which contribute to mitigating such risks and remediating harm. As set out in our Modern Slavery Policy, respect for human rights remains one of our core business values at United Malt. We are committed to living these values by conducting our business in a way that recognises and respects the right of those with whom we do business, including our employees, customers, suppliers or contractors, to be free from modern slavery practices. We believe this is not only the ethical position to take, but one that contributes to our social licence and therefore the ongoing resilience of our business.

United Malt submitted its second Modern Slavery Statement to Australian Border Force in March 2022. Due to global nature of our operations, the Modern Slavery Statement was prepared and aligned to report against the Company’s obligations under applicable modern slavery legislation in Australia, the United Kingdom and California.

The Company has established a Modern Slavery Working Group comprised of the Chief Operating Officer, Company Secretary, Director of Group Risk and Insurance, Chief People Officer and UK Chief Financial Officer to oversee the overarching strategy, design and implementation of our Modern Slavery Risk Programme across our global operations, and to report on the Programme’s effectiveness. To support our ongoing development and improvement of our programme of anti-modern slavery work, United Malt

engaged a specialist external human rights and supply chain consultant to support our work in the areas of modern slavery governance, due diligence, grievance and remediation processes and assessment of programme effectiveness. During the year, the programme of work included:

- Building on the training of key personnel conducted in 2021, we rolled out further modern slavery training during the year with 835 employees completing introductory training.
- Commenced supply chain mapping and performed inherent risk assessment over the highest risk Tier 1 existing suppliers.
- Commenced a comprehensive review of supplier due diligence onboarding processes to identify improvements and actions to strengthen supplier governance and risk management.
- Formalised Group-wide modern slavery risk tolerance for inclusion in risk appetite statement and revised our internal project approval and management processes to include a modern slavery risk assessment.
- Conducted a review of United Malt’s operational grievance mechanism and whistleblowing process to ensure it meets the needs of all rightsholders throughout the supply chain, leading to identification of improvements to be implemented as a priority in FY23.

We look forward to reporting in more detail on these and other initiatives and our modern slavery priorities for FY23 in our 2022 Modern Slavery Statement which will be published in March 2023.

Integrity in Corporate Reporting

Role of the Audit and Risk Committee

The Audit and Risk Committee assists the Board in fulfilling its responsibilities in respect of financial reporting, risk management, compliance and internal controls. It reviews the financial reporting process, the system of internal control and management of financial risks, and the process and coverage of internal and external audit, together with business risks including strategic, operational, financial and regulatory risk and compliance with applicable laws, regulations and United Malt policies.

The detailed responsibilities of the Audit and Risk Committee are set out in the Committee charter available on the United Malt website at www.unitedmalt.com/corporate-governance.

The membership and composition of the Audit and Risk Committee are set out on page 6. The members of the Committee collectively have the accounting and financial expertise and a sufficient understanding of the industry in which United Malt operates to be able to discharge the Committee’s mandate effectively.

The Audit and Risk Committee maintains unrestricted access to management, employees and all relevant Company information and regularly meets with the Company’s internal and external auditors. The CEO and Managing Director, Chief Financial Officer, Company Secretary, Group Reporting Controller, Director Group Risk and Insurance, the external auditor (PwC) and internal auditor (KPMG) attend meetings of the Audit and Risk Committee by invitation. Other members of the executive leadership team, including the Chief Operating Officer, Chief Information Officer, President Warehouse and Distribution and General Counsel also attend by invitation as appropriate.

Financial and Corporate Reporting

Prior to the approval of United Malt’s financial statements for any reporting period, the Board receives written declarations from the CEO and CFO that, in their opinion, the financial records of United Malt 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 United Malt and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Supporting this declaration are certifications of assurance provided by other senior managers, including finance managers, within United Malt. These certifications comprise representations and responses to questions concerning United Malt’s financial results, disclosure processes and controls and other matters related to United Malt’s external reporting obligations.

United Malt recognises the importance of having robust processes in place to ensure the integrity of its regular corporate reports and disclosures to the market. The Board has established a Disclosure Committee, comprising the Chairman, CEO, CFO, Company Secretary, GM Corporate Development and External Relations and any other person nominated by the Board from time to time. The Disclosure Committee’s responsibilities include reviewing and approving proposed external announcements for release to ASX or referring them to the Board as appropriate.

For periodic corporate reports released to the market which are not required to be audited or reviewed by the external auditor, United Malt follows a verification, review and approval process to ensure the integrity of the information disclosed to the market. The process involves the reports being prepared and reviewed by the relevant subject matter experts, an internal verification and review process, and an appropriate approval process involving senior executives, the Disclosure Committee and, in some cases, the Board, with a view to ensuring that such reports are materially accurate, balanced and provide investors with appropriate information to make informed investment decisions.

External Auditor

The Company has appointed PricewaterhouseCoopers (PwC) as its external auditor.

Independence of Auditor

PwC has provided the required independence declaration to the Board for the financial year ended 30 September 2022. The independence declaration forms part of the Directors’ report and is provided on page 63 of the 2022 Annual Report.

Attendance at AGM

PwC’s lead audit partner will be available at the AGM to answer questions relevant to the external audit of United Malt’s 2022 financial statements. PwC attends each Audit and Risk Committee meeting and regularly meets with the Committee without management present.

Non-Audit and Assurance Related Services

The Board has considered the nature of the non-audit and assurance services provided by the external auditor during the year and has determined that the services provided, and the amount paid for those services, are compatible with the general standard of independence for auditors imposed by the Corporations Act. Details of fees paid (or payable) to PwC for non-audit and assurance-related services provided to United Malt during the reporting period are set out in the Directors’ report on page 99 of the 2022 Annual Report.

Disclosure and Investor Engagement

Market Disclosure

The Board has adopted a Disclosure Policy which sets out the process and responsibilities that support United Malt’s compliance with its continuous disclosure obligations under the ASX Listing Rules and Corporations Act, and to reinforce United Malt’s commitment to providing accurate, balanced and clear announcements that allow investors to assess the impact of the information when making investment decisions.

To oversee the fulfilment and effective operation of the Disclosure Policy, the Board has established a Disclosure Committee to consider continuous disclosure issues as they arise, comprising the Chairman, CEO, CFO, Company Secretary, GM of Corporate Development and External Relations and any other person nominated by the Board from time to time. The Disclosure Policy covers, among other things, the following:

- the responsibilities of the Disclosure Committee and the internal reporting obligations to support the disclosure process;
- the responsibilities of the Company Secretary in relation to disclosure and communicating with the ASX;
- the process in relation to seeking a trading halt; and
- the policy and procedure for briefing investors, analysts and the media.

The Disclosure Policy is available on the United Malt website. All information disclosed to the ASX is promptly posted on United Malt’s website. Directors also receive copies of all ASX announcements immediately after they are made. The Board considers potential disclosure issues at each of its meetings.

Investor Engagement

United Malt recognises the importance of providing its shareholders and the broader investment community with timely access to current information about the Company and avenues for effective two-way communication between the Company, the Board and shareholders.

United Malt has developed an investor engagement programme for engaging with shareholders, the broader investment community and the media. We seek to keep shareholders informed about United Malt’s activities and to listen to their issues and concerns.

United Malt communicates information to its shareholders and other stakeholders regularly, including in the following ways:

- regular investor briefings aligned with half-year and full-year results and additional ad-hoc briefings;
- United Malt’s website at www.unitedmalt.com, which provides up-to-date information on the operations of United Malt, its Board and leadership team, corporate governance structure, ASX announcements, details on upcoming events, investor presentations and reports;
- engaging with institutional investors, proxy advisors and shareholder associations to understand market expectations and receive feedback on topics including the Company’s governance, ESG and remuneration; and
- releasing copies of any new and substantive investor or analyst presentations on the ASX ahead of the presentation.

The Chairman engages with major shareholders and proxy advisors before each AGM to review proposed shareholder resolutions and at other times during the year when significant developments occur.

In addition to the regular investor engagement outlined above, in August 2022 the Company held an investor day to update shareholders on its performance and strategy. The presentations and audio webcast were made available on the Company’s website (refer also ASX announcements dated 3 August 2022).

United Malt encourages its shareholders to participate in its annual general meetings by attending, voting and asking questions. All voting at the AGM will be conducted by poll. United Malt’s 2021 and 2022 annual general meetings had to be conducted as virtual meetings due to COVID-19 restrictions on public gatherings in force at the time. United Malt looks forward to welcoming shareholders to a physical meeting for its February 2023 AGM, subject to any COVID-19 related developments. When conducted as physical meetings, AGMs will also be webcast to enable all shareholders to follow proceedings if they are unable to attend in person.

All of United Malt’s shareholders have the option to receive communications from, and send communications to, United Malt and its share registry electronically.

Risk Management

United Malt is committed to maintaining appropriate and effective controls and business practices that protect our staff, environment, facilities, suppliers and customers, while seeking to minimise business risks in achieving our overall strategic objectives. Our objective is to ensure that all material risks are identified and assessed in the context of the Company’s Risk Appetite Statement and, where practical and economically feasible, measures, policies and/or controls are implemented to mitigate the impact those risks may have on United Malt’s operations.

United Malt’s risk management framework is guided by the principles of ISO 31000. To identify the risks and opportunities that arise through its activities, and to mitigate risks, United Malt has various risk management policies and procedures in place that cover strategic, operational and financial risks. Importantly, United Malt has undertaken an assessment of climate related risks and opportunities and now tracks and identifies physical and transition risks associated with the Taskforce for Climate-related Financial Disclosures (TCFD). TCFD risks and opportunities have been evaluated and incorporated into the corporate risk register and are identified across two time horizons: 2030 and 2050.

A summary of the material risks, including operational, strategic, financial, environmental and sustainability risks, and their mitigations, is set out on pages 33-39 of the 2022 Annual Report. United Malt’s Sustainability Report also provides a detailed overview of United Malt’s approach to managing its environmental and social risks. The Sustainability Report is available on the United Malt website at www.unitedmalt.com/corporate-governance.

Risk Management oversight and responsibilities

The Board has overall responsibility for the Company’s risk management framework and strategies but has delegated direct oversight of certain areas of risk to the Audit and Risk Committee and Environment, Health and Safety Committee. Senior management monitor and manage all material risks consistent with the Company’s strategic objectives, the Board approved risk appetite statement, and in accordance with the Company’s policies.

Key Risk Management Oversight	Function
Board	<ul style="list-style-type: none">• Set the risk appetite for the United Malt Group.• Review and approve United Malt’s risk management framework and strategies, including financial, operational, strategic and environmental and social risk.• Develop and monitor the effectiveness of internal controls and systems in order to manage and mitigate these risks.• Satisfy itself that the Company’s remuneration policies are aligned with the purpose, values, strategic objectives and risk appetite.• Review the effectiveness of occupational health and safety systems and environmental risk management across the United Malt Group.
Managing Director and Chief Financial Officer	<ul style="list-style-type: none">• Provide a declaration to the Board regarding the half-year and full-year financial statements.• Assess and provide assurance to the Board that United Malt’s financial and non-financial risk management and internal control systems are operating effectively in all material respects.
Audit and Risk Committee	<ul style="list-style-type: none">• Review the framework and methodology for identifying, evaluating, managing, mitigating and reporting business risks.• Monitor compliance with United Malt’s risk management policy and the statement of risk appetite approved by the Board.• Recommend new policies or amendments to the existing risk management framework, policies or statement of risk appetite of the Company that may be desirable for the effective management of business risk.• Receive reports from management that identify, evaluate, manage and mitigate significant risks that may affect the achievement of United Malt’s business objectives including new and emerging sources of risk.• Review reports from external and internal audits covering material issues in relation to risk matters and the status of actions taken by management to address audit and assurance findings.• Receive periodical reports from management concerning trading related credit, treasury, liquidity, foreign exchange, derivative, country and sovereign risks, and assess their alignment to United Malt’s business risk appetite.• Receive reports from management concerning food safety and quality management risks.• Receive reports from management regarding any modern slavery issues involved in United Malt’s supply chains and oversee mitigation strategies.• Receive reports from management concerning the extent and adequacy of United Malt’s insurance arrangements, as well as recommend insured, self-insured and un-insured risk parameters.• Oversee the development and implementation of United Malt’s business continuity, disaster recovery and emergency management plans.

Key Risk Management Oversight	Function
	<ul style="list-style-type: none">Oversee management’s control framework for information technology (IT) and operational technology systems (OT) to manage and mitigate cyber security and data protection risks.
Environment, Health and Safety Committee	<ul style="list-style-type: none">Review the adequacy and effectiveness of the EH&S Risk Management Framework and EH&S Management System, in particular in relation to identifying and managing EH&S risks that are material to United Malt, complying with EH&S legal and regulatory requirements and the timely response to incidents, risks and hazards.Review reports from external and internal audits covering material issues in relation to EH&S matters and the other matters within the Committee’s responsibility, and the status of actions taken by management to address audit and assurance findings.Review investigations into significant occupational health and safety, environmental or product quality incidents with the potential to have a significant impact, and the associated actions to prevent the recurrence of those incidents.Assess the effectiveness of resources in place to support effective implementation of the EH&S management systems, including in respect of the audit and assurance function.
Management	Management has primary responsibility for risk management including to: <ul style="list-style-type: none">Identify, evaluate and mitigate financial and non-financial risks to the business having reference to the Board approved risk appetite statement.Monitor the effectiveness of risk management and internal control systems across the business.Report to the Board and its committees regarding any material risk issues, material non-compliance and advise on emerging risks.Model and instil a strong risk culture, encouraging integrity and transparency and ensuring that risk has a central role in the delivery of strategy and corporate projects.
Internal Audit	<ul style="list-style-type: none">Provides independent and objective assurance of the adequacy and effectiveness of United Malt’s internal control environment and recommendations for improvements. See further details on page 17.

Risk Management Framework and Strategy

As was reported in 2021, United Malt worked with external advisors to comprehensively review the maturity of its risk management framework and practices following its listing on ASX in March 2020. Key outcomes of this review included the development of a multi-year strategy enumerating concrete steps that United Malt can take to improve, embed and streamline management of strategic, operational and financial risks and the adoption of a revised Risk Appetite Statement by the Board in September 2021.

The Board, with the assistance of the Audit and Risk Committee, has continued to review United Malt’s risk management framework during the reporting period to satisfy itself that it continues to be sound, that United Malt is operating with due regard to the risk appetite set by the Board and to monitor progress against the multi-year risk management strategy developed in 2021. The Board and its committees will also continue to work with management to monitor implementation of the initiatives identified to strengthen its risk management framework. During the FY22 reporting period, this included a focus on the following initiatives in particular:

- Improving the alignment between strategy and risk** by developing United Malt’s strategic risk profile and clarifying the role of the risk function including its involvement in strategic decision making;
- Developing the Company’s risk appetite statement**, the Board and management have refined the Risk Appetite Statement and the applicable measurement and metrics to better reflect the changed global and industry-wide risks which the Company faced during FY22, including barley supply issues, supply chain and logistical issues and rising energy and fuel prices. Accountability was further clarified, through better definition and identification of first, second and third line of defence owners.
- Improving the Company’s project risk assessment** and review process following a review of how risk management is implemented into project planning, development and delivery.

Environment, Social and Governance (ESG) Risk

The Board recognises the importance of effective ESG practices and the integration of ESG risk into the Company’s risk management framework. ESG risks are included in the Company’s risk appetite statement and strategic and operational risk registers which are regularly reviewed by the Board and its committees.

United Malt continues to assess the risks and opportunities of climate change on our business in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and to implement strategies focused on mitigating these risks to the extent possible, whilst capturing opportunities for the business.

Further details on the work undertaken in this regard during the reporting period, and United Malt’s plans for identifying and managing climate-related risk, are found in the 2022 Sustainability Report.

Internal Audit Function

United Malt has appointed KPMG to manage United Malt’s internal audit function (**Internal Audit**). Internal Audit provides independent and objective assurance of the adequacy and effectiveness of United Malt’s internal control environment and recommendations for improvements. Internal Audit operates under a plan approved annually by the Audit and Risk Committee and updated regularly as required. Internal Audit reports to the Chief Financial Officer with a direct line of communication to the Chair of the Audit and Risk Committee. Internal Audit has full access to all functions, records and personnel of United Malt.

The Board has delegated authority to the Audit and Risk Committee to:

- review the internal audit plan to assess whether it addresses key strategic, operational and compliance risks;
- review the activities of the internal audit function to assess whether any unjustified restrictions or limitations have affected its work;
- ensure that significant findings and recommendations made by the internal auditor are received, discussed and appropriately acted upon by management on a timely basis; and
- review the performance of the internal auditor and recommend to the Board the appointment, reappointment or termination of the internal auditor as appropriate.

Representatives of Internal Audit and other external assurance providers (as required) attend all meetings of the Audit and Risk Committee and provide regular reports of progress against the annual programme and detail any issues which have arisen.

Internal Audit is separate from and independent of the Company’s external auditor.

Remunerate fairly and responsibly

Nominations and Remuneration Committee (NRC)

The membership of the NRC is set out on page 6.

The NRC assists the Board in fulfilling its responsibilities with respect to human resources policies, remuneration matters and nomination and succession planning processes for the Board and CEO. The NRC also reviews the Company’s key people and strategic human resources strategies and policies. The NRC is responsible for ensuring that United Malt’s human resource, remuneration and incentive policies and practices are aligned to its values and business objectives and performance and demonstrate a clear relationship between overall United Malt performance, executive performance and remuneration. It is also responsible for assessing the composition, functions and responsibilities and size of the Board and implementing processes for the evaluation of the performance of the Board, its committees and Directors.

United Malt’s policies and practices regarding the remuneration of Executive and Non-Executive Directors and other senior Executives is set out in the Company’s Remuneration Report starting on page 43 of the 2022 Annual Report together with details of remuneration paid during the reporting period.

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