

Corporate governance, environmental and social statements

Sigma Healthcare Limited (**Company**) and its controlled entities (**Group**) is committed to delivering high quality health care services, long-term sustainable growth and shareholder returns. The Board recognises the importance of governance, environmental and social matters to our shareholders, suppliers and customers.

This is reflected in the Company's statement as values, as approved by the Board and published on the Company's website (www.sigmahealthcare.com.au). The Company's overarching value statement is as follows:

At Sigma, we believe a united team and safe environment promote culture. We do this by trusting our team and partners. We openly communicate and hold each other accountable in a respectful way.

This Corporate Governance, Environmental and Social Statement (**Statement**) was approved by the Board and is current as at 24 March 2020.

1. ASX Corporate Governance Principles and Recommendations

The Directors and management of the Company are committed to ensuring that the Group's business is conducted in accordance with high standards of corporate governance, including those described in the ASX Corporate Governance Council "*Corporate Governance Principles and Recommendations*" ("ASX Principles and Recommendations").

The Company's current corporate governance policies and practices comply with the 4th edition of the ASX Principles and Recommendations, which applies to the Company for the year ended 31 January 2021. In the 2019/2020 reporting period, the Company complied in all material respects with the 3rd edition of the ASX Principles and Recommendations.

A checklist cross-referencing the ASX Principles and Recommendations (3rd and 4th editions) against the disclosures in this Statement is provided at the end of this Statement.

2. Our Board

(a) Role

The Board is primarily responsible for setting the strategic direction and endorsing the values of the Company and the Group, to effectively guide and oversee management of the Group and to approve, review and oversee implementation of the Group's risk management systems and governance practices, strategies and policies.

The Board has adopted a Board Charter (published on the Company's website) which sets out the structure and governance requirements of the Board and respective responsibilities of the Board and the "**Senior Executive Team**" comprising the CEO & Managing Director (**CEO**) and a number of the CEO's key direct reports.

Under the Board Charter, the Board has reserved responsibilities for a range of matters, including:

- endorsing the Company's values and standards of conduct;
- defining the Company's purpose, establishing strategic goals and approving management's business plans and strategic opportunities;
- overseeing the management of the Company;
- succession planning;
- appointment and annual evaluation of the CEO;
- setting risk appetite for management in alignment with strategic goals;
- monitoring the Company's performance with the aim of maximising long-term returns to the Company's security holders at an acceptable level of risk;
- approving the Company's financial plans, operating budgets and major capital expenditure;
- reviewing and ratifying policies and systems of risk management, codes of conduct, legal compliance and corporate governance.

(b) Company Secretary

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. This includes agendas, Board papers and minutes, advising the Board and its Committees on governance matters, monitoring and ensuring that the Board and Committee policies and procedures are followed, communication with regulatory bodies and the ASX and statutory and other filings. Under the Board Charter, responsibility for approving appointment and removal of the Company Secretary is reserved for the Board.

(c) Board composition

The Board currently consists of one Executive and seven Non-Executive Directors, including the Chair, following the appointment of Mr Michael Sammells effective from 1 February 2020. Throughout the 2019/2020 reporting period, the Board consisted of one Executive and six Non-Executive Directors, including the Chair.

The Company's Constitution and Board Charter set out the process for the election and appointment of Directors, including the following:

- The Board is authorised to appoint Directors to vacancies and to elect the Chair. Any Director appointed by the Board must stand for election at the next annual general meeting (**AGM**) of security holders following their appointment.
- One third of Directors (excluding the CEO and a Director appointed to fill a casual vacancy and rounded down to the nearest whole number) must retire at every AGM. Other than the CEO, no Director may remain in office for more than three years without resigning and standing for re-election.

Before a Director is appointed or put forward for election, the Company undertakes checks into the proposed director's character, experience, education, criminal record and bankruptcy history.

Prior to each AGM:

- the Board determines whether it will recommend to security holders that they vote in favour of the re-election of each Non-Executive Director seeking election on a rotational basis with the other Directors. Board support for Directors retiring and seeking re-election is not automatic; and
- the Company provides security holders, in the notice of meeting for the AGM, material information in its possession relevant to a decision on whether or not to elect or re-elect a Non-Executive Director. This includes information about the Director's relevant skills and qualifications, current material directorships and, for existing Directors seeking re-election, their length of tenure.

(d) Board skills, experience and selection process

The Board is committed to ensuring that the Company's Directors have a collective mix of skills, background, experience, knowledge, education, expertise and diversity aligned with the Company's strategic direction. The Board also strives to retain a balance between long-serving directors with established experience and knowledge of the Company's business and history, and new directors who bring different insights and fresh perspectives. The Board considers this diversity is required to effectively govern the Group.

The Board members have a broad and diverse range of skills and experience across a number of business areas. The Board identifies the key skills and experience required for the effective management of the business, including those required in the future. These key attributes are critical inputs to the Board review, development and succession planning processes. The key Board skills and experience are detailed below.

Skills	
Leadership	Driving engagement and enablement, leading organisational change
Risk management	Risk frameworks, setting risk appetite, building and adapting organisational risk culture
Remuneration	Executive incentive arrangements, performance targets, and superannuation
Governance and compliance	Group wide governance and compliance systems, processes and frameworks
Health and safety	Driving proactive health and safety initiatives and programs

Government relations/policy	Interaction with government and regulators and involvement in public policy decisions
Financial expertise	Accounting, financial reporting, corporate finance, financial internal controls, financial and capital management strategies
Corporate strategy	Setting and reviewing organisational strategy, organic growth and merger and acquisition opportunities

Experience

Healthcare and pharmaceutical industry	Relevant experience from within the Company's primary industry and with the compliance, decision-making structures and operational disciplines of such highly regulated industries
Retail and wholesale	Experience within the Company's core operational disciplines
Franchising, small and medium enterprises	Knowledge of franchising regulations and small business operations and challenges
Logistics	Large scale and time critical logistics, automation technology
ASX	Listed company leadership experience at Executive and Board level
Business transformation	Involvement in transformational, continuous improvement and innovative projects
Information technology	IT strategies and networks, latest innovations in data storage and security
Customer data and insights	Driving strategic insights from the collection and analysis of customer data

The Board believes that orderly succession and renewal contributes to strong corporate governance and is achieved by careful planning and continual review. The People and Remuneration Committee reviews the size and composition of the Board regularly and at least once a year as part of the Board evaluation process.

When the need for a new Director is identified, the required experience and competencies of the new director are defined in the context of the above skills and experience matrix and any gaps that may exist. Generally, a list of potential candidates is identified based on these skills required and other issues such as geographic location and diversity criteria. External advisors may be employed where necessary to search for prospective Board members.

Candidates are assessed against the required skills and on their qualifications, backgrounds and personal qualities. In addition, candidates are sought who have a proven track record in creating security holder value and the required time to commit to the position. Appropriate background and other checks are undertaken before the People and Remuneration Committee recommends the most appropriate candidate(s) for consideration by the Board as a whole.

(e) Appointment and induction of new Directors

New Non-Executive Directors are issued with a formal letter of appointment that sets out the key terms and conditions of their appointment, including Director's duties, rights and responsibilities, the time commitment envisaged and the Board's expectations regarding involvement with Committee work. An induction program is in place that encompasses all aspects of the Company's business, including touring the Sigma Group's facilities and meeting key management personnel.

(f) Performance reviews and professional development

Each Director is a member of the Australian Institute of Company Directors and has access to professional development opportunities to ensure they maintain the skills and knowledge required to perform their roles effectively.

The Chair, on the advice of the People and Remuneration Committee, periodically conducts an internal review of the Non-Executive Directors which, amongst other things, identifies whether there is a need for the Director to undertake further professional development. The results of the internal performance review are reported back to the People and Remuneration Committee. In addition, the Board, on the advice of the People and Remuneration Committee, periodically engages an independent third party to undertake a formal, external review of the Board.

The Chair conducted an internal review of the Non-Executive Directors in the 2019/2020 reporting period. An external board review was not considered to be required in the 2019/2020 reporting period.

The Board reviews the performance of the CEO against the Board-approved key performance indicators on an annual basis. This review was conducted in the 2019/2020 reporting period.

(g) Independence of Directors

As required under the Board Charter, the majority of Directors, including the Chair, are independent Non-Executive Directors.

The Board's definition of "independence" is outlined in the Board Charter and has recently been updated in line with the revised commentary in the 4th edition of the ASX Principles and Recommendations. The 2019/2020 and 2020/2021 definitions are as follows:

2019/2020 definition	2020/2021 definition
<p>An independent director is a non-executive director who:</p> <ol style="list-style-type: none"> 1. is not a substantial security holder of the Company or an officer of, or otherwise associated with, a substantial security holder of the Company. A substantial security holder is a security holder who holds more than 3% of the issued capital of the Company; 2. within the last three years has not been employed in an executive capacity by the Company, or been a director after ceasing to hold any such employment; 3. within the last three years has not been a principal of a material professional adviser or a material consultant to Sigma, or senior employee of such a consultant or adviser materially associated with the service provided; 4. is not a material supplier or customer of the Company, or an officer of or otherwise associated with a material supplier or customer. A material supplier or customer is a supplier or customer who controls more than 5% of the value of the Company's total purchases or 5% of the value of the Company's total sales or more than 50% of the suppliers or customers purchases or sales are from or to the Company; 5. has no material contractual relationship with the Company other than as a director of the Company; 6. has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the directors ability to act in the best interests of the Company; and 7. is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company. <p>The Board may determine that a Non-executive Director is independent notwithstanding the existence of a relationship of the kind referred to above. The Board will state its reasons for making that determination.</p>	<p>An independent Director is a Non-executive Director who is free of any interest, position or relationship that might influence, or reasonably perceived to influence, in a material respect, the Director's capacity to bring an independent judgment to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.</p> <p>This includes a person who:</p> <ol style="list-style-type: none"> 1. is not, does not represent, and has not within the last three years been an officer or employee of, or professional adviser to, a substantial security holder of the Company. A substantial security holder is a security holder who holds more than 3% of the issued capital of the Company; 2. is not, and has not been employed in an executive capacity by the Company or any of its child entities, within the three years prior to them serving on the Board; 3. is not, and has not within the last three years been, in a material business relationship (e.g. as a supplier, professional adviser, consultant or customer) with the entity or any of its child entities, or is an officer of, or otherwise associated with, someone with such a relationship. A material supplier or customer is a supplier or customer who controls more than 5% of the value of the Company's total purchases or 5% of the value of the Company's total sales or more than 50% of the suppliers or customers purchases or sales are from or to the Company; 4. does not receive performance-based remuneration (including options or performance rights) from, or participate in an employee incentive scheme of, the Company; 5. does not have close personal ties with any person who falls within any of the categories described above; and 6. has not been a Director of the Company for such a period that their independence from management and substantial holders may have been compromised.

The Board reviewed the independence of each Non-Executive Director against both of these definitions and found there was no material change in its conclusion about the independence of each Non-Executive Director. The Board's assessment of the independence of each Non-Executive Director is as follows:

- Mr Brian Jamieson (Chair) – independent. The Board considers that, notwithstanding Mr Jamieson's length of tenure as a Director of the Company (from May 2003 – present) and deep understanding of the business, Mr Jamieson and his relationships are sufficiently removed from management to be considered independent.
- Mr Raymond Gunston – independent.
- Mr David Manuel – not independent. Mr Manuel is a practising pharmacist and customer of the Sigma Group. The Board values the insight and advice provided by Mr Manuel. In addition to being a skilled Board member, as an owner of multiple pharmacies he brings firsthand experience and insights that contribute greatly to the Board. The Board considers that the materiality of his relationship is such that it does not interfere with his capacity to bring an independent judgement on issues before the Board and to act in the best interests of Sigma and its security holders generally.
- Mr David Bayes – independent. The Board considers that, notwithstanding Mr Bayes' length of tenure as a Director of the Company (from June 2007 – present) and deep understanding of the business, Mr Bayes and his relationships are sufficiently removed from management to be considered independent.
- Ms Christine Bartlett – independent.
- Ms Kathryn Spargo – independent.
- Mr Michael Sammells – independent.

Independent Directors are required to identify and disclose any matter which may affect their independent status. In addition, only those transactions permitted by the Company's Constitution and the *Corporations Act 2001* (Cth) are conducted with Directors or their related parties. These are on the same commercial terms and conditions applying to any other external party, supplier or customer. Directors are required to disclose in writing any related party transactions. Related party transactions are set out in the notes to the Company's financial report.

On a regular basis, Non-Executive Directors meet without the CEO or other members of management being present, to ensure that the Non-Executive Directors maintain independence of thought and judgement. The Non-Executive Directors also meet independently with the external auditors at least twice a year. Directors have a right of access to all Company information and executives.

(h) Conflict of interest

Directors must identify any actual or potential conflict of interest they may have in dealing with the Company's affairs and subsequently to refrain from participating in any discussion or voting on those matters. If a potential conflict of interest is likely to arise, the Director concerned does not receive copies of the relevant Board papers and withdraws from the Board meeting while those matters are considered. Accordingly, the Director concerned takes no part in discussion nor exercises any influence over other members of the Board if a potential conflict of interest exists.

(i) Access to information and independent advice

Directors are entitled, in fulfilling their duties and responsibilities, to obtain independent professional advice on any matter connected with the discharge of their responsibilities, with prior notice to the Chair, at the Company's expense.

(j) Directors' fees and remuneration

The details of remuneration paid to each Director during the financial year and the principles behind the setting of such remuneration are included in the Remuneration Report.

(k) Shareholdings of directors

Directors' shareholdings are detailed in the Directors' Report and are updated by notification to the ASX. The rules and procedures governing the dealing in securities by Directors is set out in the Group's Share Trading Policy as noted further below.

To align the interests of Non-Executive Directors with shareholders, 25% of each Non-Executive Director's post-tax fees are used to purchase the Company's shares on market every three months. Further details of the Company's remuneration strategy and principles are outlined in the Remuneration Report.

3. Board committees

The Board has two standing committees (**Committees**) to facilitate and assist the Board in fulfilling its responsibilities. Other committees may be established from time to time with specific responsibilities as delegated by the Board. The Committees are governed by Charters, which detail their specific functions and responsibilities. Copies of the Committee Charters are available on the Company's website. The Board Charter requires the Board to review each Committee's Charter every two years. In addition, each Charter requires the relevant Committee to review its Charter at regular intervals.

The Committees make recommendations to the Board. They have no decision-making power except where expressly authorised by the Board. The relevant qualifications and experience of individual Committee members are set out in the Directors' Report.

The attendance and composition of the Committees as at, and throughout the financial year ended 31 January 2020, is summarised in the Directors' Report.

(a) Risk Management and Audit Committee (RMAC)

The RMAC comprises Mr Ray Gunston (Chair), Mr David Bayes, Ms Kathryn Spargo and Mr Michael Sammells, who are all independent Non-Executive Directors. Mr Gunston, who is not the Chair of the Board, is the Chair of the RMAC. Mr Gunston, Mr Bayes, Ms Spargo and Mr Sammells all have relevant financial, commercial and risk management qualifications and/or experience, details of which are provided in the Directors' Report. The RMAC has authority, within the scope of its responsibilities, to seek any information it requires from any employee of the Group or external party.

Consistent with its Charter, RMAC's main responsibility is to advise and assist the Board on the establishment and maintenance of a risk management framework, internal controls and standards for the management of the Group and to monitor the quality and reliability of the financial information of the Group.

The RMAC recommends the appointment, removal and remuneration of the external auditors. It also reviews the activities and organisational structure of the internal audit function. Prior approval of the RMAC must be gained for non-audit services to be performed by the external auditor. There are specified qualitative limits on non-audit services to ensure that the independence of the auditor is maintained. There is also a requirement that the audit partner responsible for the audit to not perform in that role for more than five years.

(b) People and Remuneration Committee

The People and Remuneration Committee comprises Mr David Bayes (Chair), Mr Ray Gunston, Mr David Manuel and Ms Christine Bartlett who are all Non-Executive Directors.

Consistent with its Charter, the Committee's main responsibilities are to advise the Board on remuneration policies and practices, assess the necessary and desirable competencies of Board members, evaluate Board performance, review Board and management succession plans and to make specific recommendations on remuneration packages for the CEO, Non-Executive Directors and senior management based on an annual review.

The People and Remuneration Committee is primarily responsible for providing recommendations to the Board about the remuneration strategy, policies and practices applicable to Non-Executive Directors and the Senior Executive Team, including the CEO, and Senior Executives. Further details of the responsibilities and activities of the People and Remuneration Committee, remuneration policies and structures, details of remuneration and retirement benefits paid to Directors are set out in the Remuneration Report. As such, the Company does not require a separate nominations committee. The Board's processes for ensuring it has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively and to manage succession issues are outlined in Section 2(c) to (f) and Section 8 of this Statement.

4. CEO & Senior Executive Team

(a) Appointment

The Board is responsible for appointing and removing the CEO and for approving the appointment and replacement of the Senior Executive Team.

The Company undertakes appropriate checks into all members of the Senior Executive Team. All members of the Senior Executive Team are appointed under written agreements.

(b) Performance and remuneration

The Company's Remuneration Policy was designed to recognise the competitive environment within which the Company operates and also emphasise the requirement to attract and retain high calibre talent in order to achieve sustained improvement in the Company's performance.

The overriding objective of the Remuneration Policy is to ensure that an individual's remuneration package accurately reflects their experience, level of responsibility, individual performance and the performance of Sigma. The key principles are to:

- attract, retain, motivate and reward high calibre talent;
- ensure remuneration principles are applied fairly and consistently across the business;
- foster a partnership between employees and shareholders through employee ownership of Company shares;
- drive community and customer interests by ensuring rewards are only paid where outcomes have been achieved in the interests of the community and customers; and
- link reward to delivery of the Company's financial and strategic goals which deliver value for shareholders.

In accordance with the policy, evaluation of senior executive performance and remuneration is undertaken by the CEO on an annual basis. Evaluation of the CEO's performance and remuneration is undertaken by the People and Remuneration Committee and Board on an annual basis. Performance reviews for the CEO and other members of the Senior Executive Team were conducted during the reporting period in accordance with the process described above.

Further details on key management personnel remuneration, including equity-based remuneration, are disclosed in the Remuneration Report. The rules regarding trading in Sigma's shares are set out within the Share Trading Policy, which can be found on the Company's website.

5. Integrity of reporting

The Group has put in place controls designed to ensure the integrity of its financial reporting and that the Group complies with all regulatory requirements relevant to its reporting.

(a) Financial control

The Board, advised by the RMAC, is responsible for the Company's overall system of internal financial control.

The Board has received certifications from the CEO and Acting CFO in connection with the financial statements for the Group for the reporting period. The certifications provide a declaration, in accordance with Section 295A of the *Corporations Act 2001* (Cth), as to the integrity of the financial statements and confirm that opinions are founded on a sound system of risk management and internal control which is operating effectively.

(b) External auditor

The Board has established a framework for the relationship between the Company and the external auditor, which ensures that:

- recommendations made by the external auditor and other independent advisers are critically evaluated and, where appropriate, applied;
- the ability of the external auditors to carry out their statutory audit is in no way impaired;
- consideration is given to what, if any, services other than their statutory audit role may be provided by the auditors;
- any other services provided by the auditors, other than their statutory audit role, are approved and monitored; and
- the Company has defined policies and procedures in place as appropriate internal controls to manage risk effectively.

The external auditor is invited to attend the annual meeting of the Company to answer questions from shareholders in relation to the audit.

(c) Internal audit function

The Company has a co-sourced internal audit function comprising external service providers (Ernst and Young) which report into an internal team. The internal audit function reports directly to the RMAC in relation to its audit functions. The internal auditors provide independent and objective assurance on the adequacy and effectiveness of the Company's systems for internal control.

(d) Verification process for periodic corporate report

The Company internally verifies the integrity of all periodic corporate reports released to the market that are not reviewed by an external auditor. A verification certificate and supporting material/evidence has been provided by the relevant team member for each material statements in this Annual Report.

6. Corporate governance policies

The Company has adopted the following policies which have been prepared having regard to the ASX Principles and Recommendations and are available on the Company's website at <http://investorcentre.sigmahealthcare.com.au/corporate-governance/governance-documents> under "Governance Documents".

The Board regularly reviews the performance and effectiveness of the Company's corporate governance policies and procedures and, if appropriate, amends those policies and procedures or adopts new policies or procedures, to uphold the integrity of the Company's corporate governance framework.

(a) Code of Conduct

The Company expects all Directors, members of the Senior Executive Team and other team members of the Group to act honestly and with integrity and to conduct themselves in accordance with the highest ethical standards of corporate and individual behaviour. The Company has developed and communicated its Code of Conduct to all Directors, members of the Senior Executive Team and team members. The Code of Conduct sets out the practices which are necessary to maintain confidence in the Company's integrity and promotes:

- honest and ethical behaviour;
- respect for people and property; and
- legal compliance.

Directors, the Senior Executive Team and team members of the Group are required to comply with both the spirit and letter of all laws which apply to the Company and the principles of the Code of Conduct, including:

- minimising conflicts of interest and disclosing possible or potential conflicts;
- avoiding receiving material gifts or benefits from third parties in connection with the Company's business;
- reporting any knowledge of fraud, material error, breach of law or of a concealed practice against the interest of the Company;
- not using any Company asset on an unauthorised basis for personal use or gain (including goods, money, equipment, corporate cards, intellectual property or the services of other areas of the organisation);
- treating all stakeholders (Company team members, security holders, customers, suppliers, the public and others on the Company's behalf) courteously, fairly and without harassment or unlawful discrimination in any form; and
- complying with all federal, state and local laws and regulations.

The Company requires all Directors, members of the Senior Executive Team and other team members who become aware of an actual or suspected violation of the Code of Conduct to report that violation to a nominated reporting person. This process allows for confidential reporting of any potential violation without disadvantage to the team member. Material breaches of the Code are reported to the People and Remuneration Committee.

(b) Diversity policy

The Company has adopted a Diversity Policy, which is described in further detail below.

(c) Continuous Disclosure and Market Communications Policy

The policy outlines a set of procedures and guidelines to ensure the Company complies with all applicable legal and regulatory requirements, including ASX Listing Rules, relating to disclosure. Subject to recognised exceptions, this ensures the timely disclosure to the ASX of any information concerning the Company which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Company's securities.

The policy also documents the Group's approach and commitment to effective communication with shareholders. Sigma has a comprehensive security holder engagement program which includes briefings, presentations and events. The program includes scheduled and ad-hoc briefings with institutional and private investors, the Australian Shareholders Association, analysts and the

financial media and aims to provide and facilitate effective two-way communication with Sigma's investors. Security holders may elect to, and are encouraged to, receive communications from the Company and its securities registry electronically.

In addition, to encourage participation at meetings of security holders, the Company provides a live webcast of its AGM and half- and full-year results. For the purpose of the AGM, security holders can submit questions prior to the event, which are then answered at the AGM, or ask questions live at the venue during the AGM. Details of scheduled events are published on the Company's website, and existing shareholders receive an email with details. The Company also requires all substantive resolutions at a meeting of security holders to be decided by poll, rather than by show of hands.

(d) Share Trading Policy

The policy applies to Directors, the Senior Executive Team and team members (including employees and contractors) wishing to participate as security holders in the Company. Australian insider trading laws prohibit people who possess non-public price sensitive information from dealing in securities or passing on that information to other people who may deal in securities. The Company's policy is designed to protect Directors, team members and their associates, as well as the Company's security holders, against acts of insider trading that, either willingly or unknowingly, would disadvantage holders of the Company's securities.

The policy employs the use of blackout periods to restrict trading during times where sensitive, non-public information may be held. In addition, those persons must notify the Company in advance of any proposed dealing in the Company's securities.

Under the terms of the policy, persons to which the policy applies are prohibited from entering into hedging transactions which operate to limit the economic risk of their securities in the Company (including under any employee share scheme or equity-based remuneration scheme) and are prohibited from entering margin loan arrangements to fund the acquisition of securities in the Company or in relation to which the Company's securities may be used as security against loan repayment.

(e) Whistleblower Policy

The Company is committed to maintaining high standards of openness, governance and accountability. It wants to create an environment where people feel safe to report any wrongdoing without fear of reprisal. Although most allegations of misconduct or wrongdoing will be reported via internal channels (supervisor/manager or outside reporting lines, if necessary), the Company recognises that there will be occasions when people would rather make an anonymous disclosure. The Company has therefore appointed an external provider to receive allegations of wrongdoing pursuant to the Company's Whistleblower Policy. The RMAC is notified of material incidents reported under the Whistleblower Policy.

(f) Anti-bribery and corruption policy

The Company understands the importance of ensuring that its Board, Senior Executive Team and team members act with the utmost integrity. Bribery and corruption have long been prohibited under the Company's Code of Conduct and Fraud Policy. In addition, the Board has recently approved the adoption of a standalone Anti-Bribery and Corruption Policy. This prohibits the Board, Senior Executive Team and all team members of the Sigma Group from engaging in bribery or corrupt conduct and provides particular guidance in relation to political donations, gifts, travel and hospitality. It establishes reporting lines for actual or suspected breaches and ensures that material breaches are reported to the RMAC.

7. Risk assessment and management

The Board is committed to the identification, assessment and management of risk throughout the Company's business activities. The Company has established policies for the oversight and management of material business risks. The Company's overarching Risk Management Policy can be found on the Company's website.

The Board's committee structure forms an important part of the risk management process. Through the RMAC, the Board has required management to design and implement a risk management and internal control system to manage the Company's material business risks. It receives regular reports on specific business areas where there may exist significant business risk or exposure.

The Company recognises that risk management is an intrinsic part of each manager's day-to-day activity. Each business division is individually responsible and financially accountable for ensuring that there are appropriate systems and structures in place for the protection of its people and assets, in accordance with Sigma's risk policies and systems.

Management reports to the Board through the RMAC as to the effectiveness of the Company's management of its material business risks on a quarterly and annual basis.). The RMAC's review of the Group's risk takes into account whether the Company is operating with due regard to the Board's approved risk appetite for material risks. The RMAC continually considers whether the Group's risk management framework remains appropriate and conducts a formal review of that framework every two years (or as otherwise required).

The RMAC has reviewed the risk management framework during the reporting period in accordance with this policy. Further information about the Company's material risks is provided in the Operating and Financial Review.

8. Diversity and inclusion

The Company respects and values the benefits of a diverse and inclusive workforce that reflects the communities in which we operate and embraces diversity of thought. We believe that in order to be a high performing, agile and innovative organisation we must leverage the full potential of all of our people. Diversity in this context includes experience, gender, age, caring responsibilities, cultural identity, disability, ethnicity, religious beliefs, education, family and relationship status, gender identity and sexual orientation.

Relevant policies are in place and made available to all team members at commencement with the company and via our Intranet to support a diverse and inclusive workforce. These include the Diversity Policy and The Good Working Relationships Policy. Policies designed to recognise and support the diverse needs of our workforce are also in place including a Flexible Working Arrangements Policy and Carers and Parental leave policies.

Our HR policies around recruitment and learning and development ensure that these processes are encouraging the attraction, retention and development of a diverse workforce.

Specifically, at the Board level, the Company is seeking to ensure each Non-Executive Director contributes towards a broad mix of skills including financial, retail, operational, fiduciary, human resources and strategic.

(a) Gender diversity

The Board values and is committed to promoting gender diversity at the Board level. Two of the last three Board appointments have been women.

From a senior executive perspective, the current gender mix is 20% female. This reduced from the 2019 senior executive gender mix of 50% and is attributed to the resignation of two female senior executives during the 2019/2020 year. In addition to this, the senior executive team grew by one with the commencement of the new CIO in January 2020.

The Board has also continued its efforts to ensure gender pay equity exists within the business. Consistent with the previous year, a detailed gender pay gap analysis was conducted as part of the 2019 remuneration review process. The results of the analysis confirmed that gender pay variances are not prevalent at Sigma when comparing male and female salaries both for like-for-like positions and by-level. The majority of variances could be adequately explained, with only a small number of adjustments required (affecting both male and female employees) to enhance pay equity.

In line with the ASX Principles and Recommendations, the Company makes the following disclosures in relation to gender diversity.

(b) Measurable objectives and progress

The Company's diversity policy, measurable objectives for achieving gender diversity have been set by the Board and are reviewed annually in order to ensure they remain relevant and to assess the Company's progress towards achieving them. The Company has made the following progress towards achieving the measurable objectives set for the 2019/2020 reporting period:

Measurable objectives	Progress for 2019/2020 reporting period
Aim to increase the proportion of women on the Board as vacancies and circumstances permit	No Board vacancies arose during the financial year.

Aim to increase the proportion of women in executive and senior management positions as vacancies and circumstances permit

There were two executive vacancies recruited over the financial year. For one role, a male was appointed to the role from a shortlist that included women. For the other role, a female was appointed on an interim basis and is not currently on the senior executive team. A female Company representative sits on the interviewing panel for all executive and senior management vacancies. For each of these vacancies a diverse candidate pool is reviewed with the aim of interviewing suitable candidates from both genders. During recruitment activities the Company endeavours to balance the need to select the most suitably qualified and experienced candidate for the role with the advantages of promoting a diverse workforce.

The Company aspires for gender equality at all levels of the organisation. In accordance with the 4th edition of the ASX Principles and Recommendations, the Board has set the measurable objective for each level of the organisation to have 50% of each gender, with an acceptable tolerance of 10% either side of that target. This objective applies for the 2020/2021 reporting period.

Proportion of women employees and Board members

In accordance with the ASX Principles and Recommendations, the Company makes the following disclosures in relation to the proportion of women in the organisation:

Disclosure requirement	Disclosure
Proportion of women employees in the whole Group	As at 31 January 2020, 59% of the Group's employees were women.
Proportion of women in the Senior Executive Team	As at 31 January 2020, 20% of Senior Executive Team positions were held by women.
Proportion of women in senior management ² positions	As at 31 January 2020, 51% of senior management positions within the Company were held by women.
Proportion of women on the Board of the Company	As at 31 January 2020, 33% of the Company's Non-Executive Directors were women.

¹ The Senior Executive Team comprises the CEO and a number of the CEO's key direct reports

² Senior management positions are those within the top three layers of the organisation.

9. Environmental statement

The Company is committed to ensuring it operates in an environmentally sustainable manner. This commitment resulted in the Board approving in August 2019 an Environmental Management and Sustainability Policy, available at sigmahealthcare.com.au, which recognised the Company's commitment to:

- identifying and effectively managing and mitigating environmental risks from all work practices;
- entrenching sustainable packaging as a priority for the Company, including committing to using the Covenant Sustainable Packaging Guidelines;
- cultivating an employee culture committed to achieving our objectives under this policy; and
- implementing strategies and a reporting framework to give effect to our objectives stated under this policy.

In line with this policy, the Company has been identifying the major business inputs that contribute to our overall environmental footprint and progressively implementing actions to help to reduce this footprint. As a wholesale distribution business, the key focus areas identified were within our Distribution Centre network and through our logistics network.

(a) Energy

The Company has been undertaking a major investment program to upgrade the Group's DC network. During this phase, there are periods where duplicate DC facilities are operating in tandem, as we transition from the old site to the new site. This does have a short-term negative impact on our environmental footprint. Notwithstanding this, an analysis across our DC network indicates that the actions we have taken to date have resulted in a 10% reduction in our total CO₂ emissions.

This has been achieved through a combination of upgrading to LED lighting in our existing DCs, and in our new DCs, installing a number of energy saving features such as solar power that is currently delivering approximately 20% of our electricity requirements, LED lighting, timer switches, and solar hot water. As our investment program continues and the operation of duplicate sites declines, we would anticipate incremental improvements across our network. Sigma is also currently assessing a business case to expand our solar panel installation, with a view to potentially increasing our solar power generation. This is subject to final review and approval.

(b) Logistics route management

A core part of the Group's business is ensuring the delivery of medicines to community pharmacies usually within 24-hours. This is a regulated essential service for patient health that helps deliver the Government's National Medicines Policy (**NMP**). Within that framework, we have employed sophisticated route management systems to optimise the efficiency of our logistics work and therefore reduce the environmental impact. This includes grouping of delivery locations to minimise kilometres travelled and fast tracking picking of orders to reduce travel time during peak hours. This continues to be a focus for the business in the year ahead.

(c) Packaging

The Company is a signatory to the Australian Packaging Covenant. As such, the Company has committed to implementing plans and actions to reduce our packaging utilisation to improve our environmental impact.

In distributing our products to pharmacies, the Group continues to utilise returnable and recyclable cardboard boxes. Upon delivery to the community pharmacy, empty boxes are returned for re-use. In 2020, the Group used, returned and re-used cardboard tote boxes six times on average.

In 2019, the Group acted to significantly reduce the environmental impact of the packaging utilised within our business. This action has led to the removal of over 17,000 lineal metres of traditional plastic bubble wrap in 2020, replaced with 28,000 lineal metres of paper based, earth friendly alternatives which are recyclable, biodegradable and compostable.

(d) Waste management

Waste management actions across the business have seen the Group continue to improve its recovery and diversion from waste. Total waste across the business for the 12-months to 31 January 2020 was 2,645.51 tonnes, with 71.70% recovered or diverted from waste. This is an improvement on the previous year, when 63.9% was recovered or diverted.

Actions to drive the improvement have been widespread but have included 54,557 coffee cups diverted from landfill through the Simply Cups Closed Loop campaign. Further action has now been implemented to encourage utilisation of re-usable cups.

10. Social statement

We believe our people are one of our greatest assets and our success is the result of a collaborative team effort. Creating a safe and rewarding place to work is our commitment which in turn means we are attracting and retaining a team that is passionate about performing and delivering on our promises to customers and shareholders.

Our focus for the 2019/20 financial year has been on delivering business transformation and implementing changes that will enable us to better support our customers and franchise partners.

(a) Culture and Engagement

A number of initiatives were implemented over the year to continue to support a culture of transformation and better equip our leaders to support their teams through times of change. We introduced workshops focusing on managing self and others through change, implemented an online "Managing myself through Change" learning module available to all team members and, and conducted regular Change Leader forums. The Change Leader forums gave leaders the opportunity to be updated on our transformation and change initiatives, share their experiences and reinforce the importance of strong leadership in times of change.

Other initiatives included:

- Further embedding our Performance Review Framework that was introduced in 2018. The framework continues to have equal emphasis on outcomes achieved and behaviours demonstrated.

- Introduction of new online compliance training modules focused on working safely at Sigma, positive workplace behaviours, plus reinforcing our company values and our unrelenting commitment to safety.
- Management of the people impacts of both the DC Network Optimisation and MC/CW exit across the year. An unfortunate reality was that in total over 300 permanent roles were no longer required. We are proud of the manner in which these changes were managed with dignity, respect and sensitivity in all instances. All exiting team members were well supported with outplacement services to assist in their transition out of the Group. Managers were supported with training in change management prior to the commencement of the CW exit process to prepare them for the changes and to enable them to provide supportive leadership to their teams.

Whilst a number of new initiatives were developed during the year, we also built on those from last year. In regard to communication, we addressed feedback and refined how we share information with team members through video messaging and the CEO blog. Many of our team members and leaders had the opportunity to share their 'day in the life of' with our broader team and we continue to receive positive feedback on the value of this style of communication.

We continued to run Leadership Labs with a particular emphasis on upskilling new managers and leaders across the Group. 28 Leadership Labs were delivered with 171 leaders participating in sessions throughout the year.

- This year we introduced a new in-house culture and engagement survey tool that is well aligned to our values and provides the flexibility to undertake regular pulse surveys throughout the year on key issues of importance. Pleasingly, we continued to build on our engagement score and saw a positive uplift of 7.5% from the previous year. Whilst our response rate was lower than previous year at 59%, the survey was available for participation across our entire Sigma Group for the first time:
- 72% of respondents told us they believed in the success of the Sigma Healthcare strategy;
- 71% agreed that the changes we are implementing are the right thing for the organisation's future success and 76% believe the changes are necessary for our ongoing success;
- 92% of respondents said they were confident in managing themselves in an environment of constant change;
- 91% of respondents feel safe at work and 89% are comfortable raising safety concerns with their manager.

We also continued to see positive momentum for our two employee Net Promotor Score (eNPS) survey items of "On balance, how likely would you be to recommend Sigma as a great place to work" (+16.3 from 2018) and "On balance, how likely would you be to recommend Sigma as the best choice for services provided" (+16.5 from 2018). This is very reassuring given the significant change experienced throughout the 2019 year.

(b) Health and Safety Performance

We understand that providing safe and healthy workplaces empowers our team members to perform at their best. In turn this helps create a healthy culture for our team, the Company and our customers.

The Board receives monthly activity and metrics reporting for our key performance areas, programs, training and campaigns, including incident trending, physical injury and mental health and wellbeing outcomes.

Our three predominant incident types throughout 2019 remain the same as 2018, which were falls from height-items, cuts/lacerations, and impact with objects – mobile plant against fixed items. Regular analysis of these incident types identified key themes and opportunities for reduction, which were implemented and are ongoing.

They include:

- Powered mobile plant competency assessment and induction for all mobile plant operators;
- Personal protective equipment requirements across logistics and dose administration facilities;
- Housekeeping and hazard reporting, specifically sharp edge removal on fixtures, fittings, containers and plant/equipment.

Other key programs that build on our mental health and wellbeing structure for the year were:

- Delivery of our Mentally Healthy Workplaces program, in conjunction with Medibank Health;
- Participation in RUOK Day, supporting and talking about mental health and wellbeing;
- Continuation of our drug and alcohol awareness and testing program for all sites and contractors;
- Assisting team members to quit smoking by providing free, personally tailored cessation programs and products in conjunction with our Professional Services team
- Free influenza vaccinations for team members through in-house delivery and participating pharmacies.
- Health and Safety Management System Audits

Each year we undertake health and safety management system compliance auditing as part of our reporting and governance activity, across all sites. The internal audits are undertaken by accredited auditors within our Health and Safety team. This year's results showed an improvement in performance over the previous year, with a result of 93%, up from 86%. This is a positive outcome given the dynamic operating changes the Group has experienced over the period, including the consolidation of warehousing operations across several states. Each site has developed a Safety Action Plan for addressing any non-compliance areas identified from their audit, and to track safety activity and performance throughout the year.

(c) Lost Time Injury / Lost Time Injury Frequency Rate (LTI / LTIFR)

The Group recorded three LTIs for the year, 12 less than the previous year. (LTI = one or more lost shifts/days following the incident). Of these, two injuries resulted in greater than five lost days.

Our LTIFR for the year was 4.10, a decrease on the previous year and while commensurate with the decrease in LTI's, a significant reduction in direct labour hours increased the final figure.

Each LTI is investigated and used as a learning opportunity for both the related site and the Group as a whole.

(d) Shine at Sigma

Providing recognition and feedback to our people is a fundamental driver of engagement and we encourage all our leaders to provide feedback to their people on a regular basis. We believe in recognising our team members who demonstrate the Company's values in an outstanding way and we are very proud of the many examples of this across the whole organisation. The Shine Awards continued to deliver many inspiring examples of this in 2019 and the power of peer nomination adds weight to the importance of these awards. After a year of significant change, the Shine Awards were reinvigorated in September 2019. We are proud to say we had a total of 78 team members nominated through 47 nominations by peers for Shine Awards in a mixture of individual and team nominations. Nine nominated team members were awarded Shine Awards for 2019.

This year our overall Shine at Sigma winner was Mary Lance, a Queensland based Business Development Manager for Amcal and Guardian. Mary was nominated for her outstanding efforts in coordinating and collaborating with others in the business to generate donations of over the counter pharmacy products, water, and emotional support for six pharmacies in her Queensland territory who were affected by drought and bushfires in October 2019. Mary also personally delivered products and assisted customers in these pharmacies. Mary is renowned for going over and above and always putting others before herself. She is a very valued team member and we congratulate Mary on receiving this award.

In line with the Company's philosophy of supporting the communities in which we operate Mary was invited to select a charity of her choice to which the Company would make a donation. Mary chose to donate her \$3,000 allocation to the Tenterfield Salvation Army Corp who were on the ground providing much needed support to those impacted by the bushfires in Queensland.

The Company is deeply committed to contributing to healthier communities through sustainable, socially responsible and ethical practices.

Through our large wholesale and pharmacy network with over 3000 customers, we are proud to support local communities and improve the health of Australians wherever we can.

(e) The Summer Foundation

Today more than 5,800 young Australians with disability and complex support needs end up living in Residential Aged Care because there are no other alternatives. Many are aged in their 30s or 40s, living with people in their 80s, as they are forced to accept the latest housing vacancy with people they have not chosen to live with. The Summer Foundation are working to achieve a change in policy and practice in relation to young people in aged care so that young people with a disability have the right to live where, how and with whomever they choose.

The Company was delighted to continue our support of the Summer Foundation's mission and advocacy work with a donation of over \$35,000 through the generosity of attendees, matched by the Company, at our annual Sigma Supplier Gala in July 2019.

(f) Guardian Pharmacy's Partnership with St Vincent de Paul Society (Vinnies)

The Group's leaders, team members, suppliers and customers have contributed to Vinnies through fundraising, volunteering and the donation of money and goods in partnership with Guardian Pharmacy.

In 2019, the Guardian Angel Knitting Program turned 21 – continuing the Guardian Pharmacy initiative which has provided homemade knitted garments for those in need. For a third year, we were proud to partner with Vinnies to ensure knitted items

were passed on to those who needed them most. By sewing or knitting jumpers, scarves, beanies and other items and dropping them off at a local Guardian pharmacy, our customers have generously provided dignity and comfort for those who are most vulnerable. This year the Knitting for Good program donated warm garments, helping vulnerable members of our community and increasing Guardian's positive impact in our community. Without our Angels we would not be able to provide this care and support.

Together with our Guardian Pharmacy Knitting program, we were pleased to offer care and support to the thousands experiencing homelessness by participating in the Melbourne CEO Sleep Out on June 20, 2019. The Vinnies CEO Sleep Out brings together leaders to support those most vulnerable through the winter months by raising awareness and funds to help combat homelessness. Our Guardian team raised over \$15,000 for much needed funding of 50 supporting programs, 131 beds and 525 meals.

(g) Drought Support

The Company is here to help in the tough times. We recognise the vital role our pharmacies play in supporting their communities and appreciate that during severe water shortages, their role is critical. With support from our generous supply partners, we banded together to donate almost \$60,000 of free personal care items to Queensland and New South Wales drought-affected and fire-impacted communities late last year through our Tenterfield, Stanthorpe and Warwick pharmacy partners.

(h) Bushfire Emergency Support

Like all Australians, we were incredibly saddened by the devastating loss of life, property and livelihood during the 2019/20 summer bushfire emergency. As a pharmaceutical wholesaler, the Company's main priority during times of emergency is to deliver medicines and other pharmaceutical supplies to our Australian communities. Under unprecedented challenging conditions, our team provided exceptional support to deliver supplies together with emergency services, relief agencies and transport partners and wanted to do all we can to help those in need.

In response, the Company pledged \$50,000 to St. Vincent de Paul Society Bushfire Appeal in addition to a \$25,000 donation to the Alliance Pharmacy Bushfire Relief Appeal to support bushfire-affected pharmacies in NSW and Victoria. We also offered financial assistance to our stores in bushfire affected areas to help them get back on their feet and tripled all team member workplace giving donations to the Bushfire Relief Appeal 2020, giving just over \$3,000 to each of the following causes:

- St Vincent de Paul Society Bushfire Appeal
- Australian Red Cross Disaster Relief and Recovery
- WWF Australia

11. ASX principles and recommendations checklist

Ref	ASX recommendation (3 rd edition of ASX Principles and Recommendations)	Section ¹	Compliance in 2019/20 reporting period	4 th edition of ASX Principles and Recommendations (applicable to 2020/2021 reporting period)	
				Material change from 3 rd edition	Comments
Principle 1 Lay solid foundations for management & oversight					
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	2(a)	Yes Yes	<ul style="list-style-type: none"> Required to have and disclose Board Charter. Updated commentary about types of matters that should be reserved exclusively for the Board. 	The Company's Board Charter is (and was during the 2019/20 reporting period) published on the Company's website and has recently been updated to take into account updated commentary in the 4 th edition of the ASX Principles and Recommendations.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	2(c)	Yes Yes	<ul style="list-style-type: none"> Required to undertake appropriate checks before appointing senior executives. 	The Company's existing recruitment practices comply with the new requirement. See Section 4(a).
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	2(e) and 4(a)	Yes	N/A	N/A
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	2(b)	Yes	N/A	N/A
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;	9	Yes Yes	<ul style="list-style-type: none"> Required to disclose full Diversity Policy. Required to set measurable objectives for achieving gender diversity across the Board, senior 	The Company's Diversity Policy is (and was during the 2019/20 reporting period) published on the Company's website.

¹ Refers to the section of this Statement unless otherwise stated.

Ref	ASX recommendation (3 rd edition of ASX Principles and Recommendations)	Section ¹	Compliance in 2019/20 reporting period	4 th edition of ASX Principles and Recommendations (applicable to 2020/2021 reporting period)	
				Material change from 3 rd edition	Comments
	(b) disclose that policy or a summary of it; (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) 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.		Yes Yes Yes	executives and workforce generally, and to disclose these for the current period. • Required to have target of 30% of each gender at Board level.	The Company's measurable objectives for achieving gender diversity for the 2020/21 are disclosed in this Statement and comply with the 4 th edition of the ASX Principles and Recommendations. See section 9.
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	2(f), 3(b) and 4(b)	Yes Yes	N/A	N/A
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	4(b)	Yes Yes	• Requirement for the performance evaluation process to be undertaken every reporting period.	The Company's existing HR practices comply with the new requirement. See Section 4(b).
Principle 2 Structure the Board to add value					
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and	2(d) and 3(b)	N/A	N/A	N/A

Ref	ASX recommendation (3 rd edition of ASX Principles and Recommendations)	Section ¹	Compliance in 2019/20 reporting period	4 th edition of ASX Principles and Recommendations (applicable to 2020/2021 reporting period)	
				Material change from 3 rd edition	Comments
	(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (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.		Yes		
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	2(d)	Yes	N/A	N/A
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, 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 (c) the length of service of each director.	2(g) and Directors' Report	Yes Yes Yes	<ul style="list-style-type: none"> Updated commentary about what constitutes an "independent director". 	The Board has updated its definition of independence in accordance with the update commentary. See Section 2(g).
2.4	A majority of the board of a listed entity should be independent directors.	2(g)	Yes	As for recommendation 2.3 above.	As for recommendation 2.3 above.
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.	2(g)	Yes	As for recommendation 2.3 above.	As for recommendation 2.3 above.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	2(e)	Yes	<ul style="list-style-type: none"> Requirement to have program for periodically reviewing the professional development needs of existing directors. 	The new requirement is covered by the Company's existing evaluation processes for the CEO and Non-Executive Directors. See Sections 2(f) and 4(b).
Principle 3 Promote ethical & responsible decision-making					
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	6(a)	Yes Yes	<ul style="list-style-type: none"> Requirement to disclose entire code of conduct. Requirement to ensure that the board or a committee of the 	The Company's Code of Conduct is (and was during the 2019/20 reporting period) published on the Company's website. The Code was recently

Ref	ASX recommendation (3 rd edition of ASX Principles and Recommendations)	Section ¹	Compliance in 2019/20 reporting period	4 th edition of ASX Principles and Recommendations (applicable to 2020/2021 reporting period)	
				Material change from 3 rd edition	Comments
				board is informed of any material breaches.	updated to refer to the existing practice whereby material breaches are of the Code are referred to the People and Remuneration Committee.
				<ul style="list-style-type: none"> Requirement to articulate and disclose the Company's values. 	The Company's statement of values is (and was during the 2019/20 reporting period) published on the Company's website.
				<ul style="list-style-type: none"> Requirement to have and disclose a whistleblower policy. Requirement to ensure that a board, or committee of the board, is informed of any material incidents reported under the policy. 	The Company's Whistleblower Policy is (and was during the 2019/20 reporting period) published on the Company's website. The policy was recently updated to refer to the existing practice whereby the RMAC is informed of any material incidents under the policy.
				<ul style="list-style-type: none"> Requirement to have and disclose an anti-bribery and corruption policy. Requirement to ensure that a board, or committee of the board, is informed of any material breaches of the policy. 	The Company's new Anti-Bribery and Corruption Policy is published on the Company's website. Material breaches of the policy are referred to the RMAC. The standalone policy builds on the Company's Code of Conduct and Fraud Policy, which also prohibit bribery and corrupt conduct.
Principle 4 Safeguard integrity in corporate reporting					
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and	3(a), 5 and Directors' Report	Yes Yes Yes Yes Yes	N/A	N/A

Ref	ASX recommendation (3 rd edition of ASX Principles and Recommendations)	Section ¹	Compliance in 2019/20 reporting period	4 th edition of ASX Principles and Recommendations (applicable to 2020/2021 reporting period)	
				Material change from 3 rd edition	Comments
	(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (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.		N/A		
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	5(a)	Yes	N/A	N/A
4.3	A 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.	5(b)	Yes	<ul style="list-style-type: none"> Replaced with requirement to disclose process used to verify the integrity of any periodic corporate report released to the market that is not audited or reviewed by an external auditor.. 	See Section 5(d).
Principle 5 Make timely & balanced disclosure					
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	6(c)	Yes Yes	<ul style="list-style-type: none"> Requirement to disclose full disclosure policy. 	The Company's Continuous Disclosure and Market Communications Policy is (and was during the 2019/20 reporting period) published on the Company's website.
				<ul style="list-style-type: none"> Requirement to ensure that Board receives copies of all material market announcements promptly after they have been made. 	Consistent with the Company's existing Continuous Disclosure and Market Communications Policy/

Ref	ASX recommendation (3 rd edition of ASX Principles and Recommendations)	Section ¹	Compliance in 2019/20 reporting period	4 th edition of ASX Principles and Recommendations (applicable to 2020/2021 reporting period)	
				Material change from 3 rd edition	Comments
				<ul style="list-style-type: none"> Requirement to ensure that new and substantive investor or analyst presentations are released on ASX Market Announcements Platform prior to the presentation. 	Consistent with the Company's existing Continuous Disclosure and Market Communications Policy. .
Principle 6 Respect the rights of shareholders					
6.1	A listed entity should provide information about itself and its governance to investors via its website.	2 - 4	Yes	N/A	N/A
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	6(c)	Yes	N/A	N/A
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	6(c)	Yes	<ul style="list-style-type: none"> Requirement to disclose details of how this is facilitated and encouraged (not just the relevant policies/processes). 	These details are disclosed in Section 6(c).
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	6(c)	Yes	N/A	N/A
				<ul style="list-style-type: none"> Requirement for all substantive resolutions at a meeting of security holders to be decided by poll rather than by show of hands. 	This is the Company's existing practice.
Principle 7 Recognise & manage risk					
7.1	The board of a listed entity should: <ol style="list-style-type: none"> have a committee or committees to oversee risk, each of which: <ol style="list-style-type: none"> has at least three members, a majority of whom are independent directors; and is chaired by an independent director, and disclose: <ol style="list-style-type: none"> the charter of the committee; the members of the committee; and 	3(a), 7 and Directors' Report	Yes Yes Yes Yes Yes	N/A	N/A

Ref	ASX recommendation (3 rd edition of ASX Principles and Recommendations)	Section ¹	Compliance in 2019/20 reporting period	4 th edition of ASX Principles and Recommendations (applicable to 2020/2021 reporting period)	
				Material change from 3 rd edition	Comments
	(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (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.		N/A		
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	3(a)	Yes Yes	<ul style="list-style-type: none"> Requirement for the annual review to take into account whether the company's is operating with due regard to the risk appetite set by the board. 	The review considers whether the Company is performing with due regard to the risk appetite set by the Board, particularly having regard to the Company's material risks.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (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.	5(c)	Yes N/A	<ul style="list-style-type: none"> Changes to disclosures required for company's that do not have an internal audit function. 	These changes do not impact the Company, as it has an internal audit function.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	9 and 10 and Operating and Financial review	Yes	<ul style="list-style-type: none"> Requirement to disclose whether the Company has any material exposure to environmental or social risks and how it manages or intends to manage those risks. 	See Sections 9 and 10 and the Operating and Financial Review.
Principle 8 Remunerate fairly & responsibly					
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	3(b)	Yes Yes Yes Yes Yes N/A	N/A	N/A

Ref	ASX recommendation (3 rd edition of ASX Principles and Recommendations)	Section ¹	Compliance in 2019/20 reporting period	4 th edition of ASX Principles and Recommendations (applicable to 2020/2021 reporting period)	
				Material change from 3 rd edition	Comments
	(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.				
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.	Remuneration Report	Yes	N/A	N/A
8.3	A listed entity which has an equity-based remuneration scheme should: (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 (b) disclose that policy or a summary of it.	6(d)	Yes Yes	N/A	N/A