



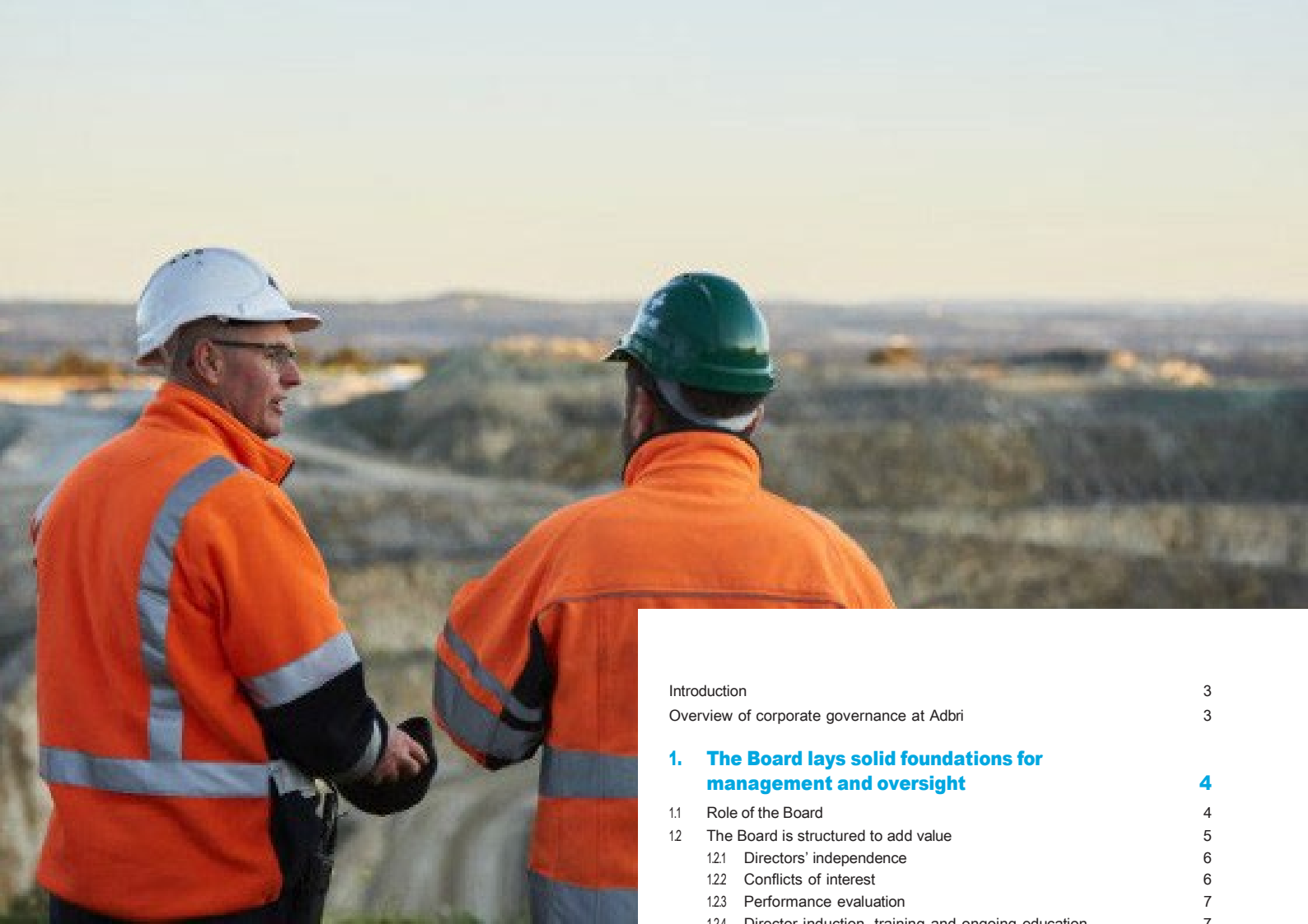
ADBRI

Building Australia since 1882



Corporate Governance Statement

28 February 2023



This Corporate Governance Statement provides an outline of the main corporate governance practices that the Company had in place during the financial year ended 31 December 2022.

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Overview of Corporate Governance

Introduction

This Corporate Governance Statement is made by Adbri Limited ABN 15 007 596 018 in accordance with ASX Listing Rule 4.10.3.

At Adbri, our purpose is to *Build a Better Australia*. It is how we contribute and create value for our investors and our communities.

We recognise that acting with integrity and having effective governance is key to our ability to continue to deliver on our purpose, to *Build a Better Australia*, and our promise of being *Always Ready*.

Adbri is committed to continuously improving our governance practices and ensuring that they are aligned with our purpose, our promise, our pillars and our strategy.

Overview of corporate governance at Adbri

The Board is committed to conducting the Company's business ethically and in accordance with high standards of corporate governance. To this end, the Board (together with the Company's management) regularly reviews the Company's policies, practices and other arrangements governing and guiding the conduct of the Company and those acting on its behalf.

The Board believes that our corporate governance framework fosters these values and contributes to the long term success of the Company. These values underpin our purpose of *Building a Better Australia*.



The Company's corporate governance arrangements give life to our key values:

- we act with fairness, honesty and integrity;
- we provide a safe and healthy work environment for all employees;
- we are aware of and abide by laws and regulations;
- we maintain the highest standards of professional behaviour;
- we identify and manage conflicts of interest responsibly; and
- we strive to be a good corporate citizen and to achieve community respect (by individually and collectively contributing to the well-being of shareholders, customers, the economy and the community).



This Corporate Governance Statement provides an outline of the main corporate governance practices that the Company had in place during the past financial year.

The Board believes that the Company's policies and practices are consistent with good corporate governance practice in Australia appropriate for the circumstances of the Company, including the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) (ASX Principles). Throughout the 2022 financial year, the Company has followed all of the recommendations contained in the ASX Principles, except where otherwise explained below.

The Board continually reviews the Company's governance policies and practices to ensure that they remain appropriate in light of changes in corporate governance expectations and developments, including as reflected in the 4th Edition of the ASX Principles.

This Corporate Governance Statement is current as at 31 December 2022 and has been approved by the Board of Directors.

1. The Board lays solid foundations for management and oversight

1.1 Role of the Board

The role of the Board of Directors is to protect and optimise the performance of the Company and its subsidiaries (Group) and, accordingly, the Board takes accountability for reviewing and approving strategic direction, establishing policy, overseeing the financial position, assessing approach to risk and monitoring the business and affairs of the Group on behalf of shareholders. The Board's role also includes setting the Company's values and standards, including monitoring compliance with ethical standards and regulatory requirements, and monitoring and influencing the Company's culture.

The Board operates in accordance with the general principles set out in its charter, which is available from the governance section of the Company's website at www.adbri.com.au.

In accordance with the provisions of the Company's constitution, the Board has delegated a number of powers to Board Committees (see section 2), and responsibility for the day-to-day management of the Company's business affairs and development and implementation of the Company's strategy to the Chief Executive Officer (CEO). The Board and CEO are supported by senior management who report to the CEO. The respective roles and responsibilities of the Board and management are outlined further in the Board charter.

The Board has also reserved for itself the following specific responsibilities:

Strategy and monitoring	Monitoring the business and affairs/relations with management	Risk management, compliance and internal controls
<ul style="list-style-type: none"> - Defining Adbri's purpose and setting its strategic objectives, including providing input into and final approval of management's development of corporate strategy, including setting performance and sustainability objectives, and approving operating budgets. - Monitoring management's implementation of strategy and performance against objectives and budgets. 	<ul style="list-style-type: none"> - Selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning for the successor of, the CEO. - Reviewing procedures for appointment of senior management, monitoring performance and reviewing executive development activities. This includes ratifying the appointment and the removal of the Chief Financial Officer, the Company Secretary and all the Company's senior executives who report to the CEO. - Approval of the Company's capital structure and gearing targets. - Approval of specified matters exceeding delegated authority levels, including major capital expenditure and major acquisitions and divestitures. 	<ul style="list-style-type: none"> - Reviewing, guiding and monitoring systems of risk management and internal control and ethical and legal compliance. - Monitoring and reviewing processes aimed at ensuring integrity of financial and other reporting, and approving the Group's financial reports. - Monitoring and reviewing policies and processes in place relating to occupational health and safety, compliance with laws, and the maintenance of high ethical standards. - Input into and approval of the Company's policy in relation to, and monitoring implementation of, sustainable resource use and the impact of the Company's operations on the environment, community and stakeholders.

1. The Board lays solid foundations for management and oversight continued

1.2 The Board is structured to add value

The Board ensures that its members have the time and commitment to devote to the role

- Prior to appointment, Directors provide details of other commitments and acknowledge that they will have adequate time to meet expectations.
- Directors to consult with the Chairman before accepting outside appointments.
- Letter of appointment sets out Director's term of appointment, powers, expectations and rights and obligations.



The Board is committed to a majority of independent views being brought to bear in decision-making

- Directors expected to bring independent views and judgment to discussions.
- The Board is committed to a majority of directors being independent.
- Board has adopted a definition of director independence that is consistent with the ASX Principles.

View section 1.2.1

Board keeps informed of regulatory and industry developments to challenge status quo and strengthen knowledge base

- Directors expected to participate in ongoing education/development.
- Board and individual Directors attend at operational sites (where practicable), meet staff in operations and receive presentations from management across the Group's operations.
- Program in place for regular director education sessions covering a broad range of relevant topics.
- Directors keep themselves informed and up to date, of their own initiative, with general developments relevant to the role of a Non-executive Director in a significant ASX listed company.

View section 1.2.4

Board and Director performance is regularly evaluated to facilitate continuous improvement

- Board, Committee and individual Director performance reviewed annually.
- Directors to undergo a performance appraisal before standing for re-election.
- One third of the Non-executive Directors retire (and are eligible for re-election) at each AGM.

View section 1.2.3

The Board is structured to add value and Board decision-making is enhanced through education and support

- Broad mix of skills, diversity and experience reflecting the character of the Group's business to best guide, review and challenge management.
- Chairman leads the Board, facilitates constructive decision-making, and manages Board/management relationship.
- To maintain independence from management, the roles of Chairman and CEO are undertaken by different individuals.
- Deputy Chair/Lead Independent Director is in place.

Board members have access to management and independent advice to assist in discharge of their duties

- Access to senior executives and to any further information required to make informed decisions.
- The Company Secretary is directly accountable to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
- Right to seek independent professional advice at the Company's expense to assist in effective discharge of duties.

Comprehensive induction processes equip Directors to perform in their role

- Comprehensive induction process upon appointment.
- Obligation on new Directors to familiarise themselves with Company's practices through induction process or by making enquiries of the Chairman, the Company Secretary or management.

Conflicts are managed

- Actual and perceived conflicts considered and managed on an ongoing basis.
- Protocols around disclosure, and procedures around management of potential conflicts have been adopted.

View section 1.2.2

1. The Board lays solid foundations for management and oversight continued

1.2.1 Directors' independence

The Board reviews, at least annually, the independence of Directors. In general, Directors are considered independent where they are free of any interest, position or relationship which might influence, or could reasonably be perceived to influence, in a material respect the Director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally. An assessment will be made on a case-by-case basis of whether the Director's ability to act in the best interests of the Company has been materially impaired.

In ensuring that the Board comprises Directors with a broad range of skills and experience reflecting the character of the Group's business, the Board may from time to time appoint Directors who are not considered to be independent. It is, however, the Board's policy that it should comprise a majority of independent Directors to ensure that independent oversight is maintained. While there were periods of the year when this majority was not maintained (as described below), the Board now has a majority of independent directors. The Company's Board Protocol – Potential Conflicts & Interests will continue to be applied to ensure effective oversight by the independent Directors for the benefit of all shareholders.

Having regard to the guidelines of independence adopted by the Board (which were updated in 2020 in line with changes to the ASX Principles), the Directors are of the view that three of the eight Non-executive Directors, Mr RD Barro, Ms RR Barro and Mr GR Tarrant, are not considered 'independent'.

Mr Barro is the Managing Director and a shareholder of Barro Group Pty Ltd (which has a 50% interest in the joint venture, Independent Cement & Lime Pty Ltd (ICL), and is a substantial shareholder in the Company). ICL has an ongoing trading relationship with the Barro Group of companies. Ms Barro is an Executive Director and a shareholder of Barro Group Pty Ltd and a director of ICL. Mr Tarrant was nominated as a Director of the Company by Barro Properties Pty Ltd and has a financial interest in Vue Australia Pty Ltd, a Barro Group Pty Ltd controlled company that operates the East Coast Cement import facility in Newcastle, New South Wales.

All of the Company's other Non-executive Directors, Dr VA Guthrie AO, Ms ER Stein, Mr MJM Wright, Ms SL Hogg (appointed 29 March 2022) and Mr DS Jenkins (appointed 23 August 2022) are considered by the Board to be independent.

The Board acknowledges that, during the year, there were periods when there was not a majority of independent Directors on the Board. From 1 January 2022 to 28 March 2022 there was an even number of independent and non-independent Directors while the Board recruited a new Director. A majority of independent Directors was restored on 29 March 2022 with the appointment of Ms Hogg. From 19 May 2022, the Board again had an even number of independent and non-independent Directors following the retirement of Mr KB Scott-MacKenzie. A majority of independent Directors was restored on 23 August 2022 with the appointment of Mr Jenkins. Mr ND Miller ceased being an executive director on 27 October 2022. Mr Miller's cessation as a director increased the proportion of independent directors.

The Board does not consider that it should establish a limit on tenure. The length of service of each Director is one of the many factors that the Board takes into account when assessing the independence and ongoing contribution of a Director. Consistent with the ASX Principles, the Board considers that the interests of shareholders are served by having a mix of Directors on the Board, some with shorter and some with longer tenures. Mr Scott-Mackenzie, who had been on the Board for 12 years, stepped down from the Board at the end of the Company's 2022 Annual General Meeting on 19 May 2022.

Mr Barro is Chairman of the Board. While the ASX Principles recommend that the Chairman should be independent, Mr Barro was appointed as part of an agreed Board Governance Framework designed to be appropriate to recognise both the cornerstone shareholding of the Barro Group in the Company and the importance of effective oversight by independent Directors for the benefit of all shareholders.

As part of the agreed Board Governance Framework, the Board created the role of Lead Independent Director (consistent with commentary in the ASX Principles), and adopted a revised Board Protocol – Potential Conflicts and Interests (discussed further in section 1.2.2 below). The role and responsibilities of the Lead Independent Director include:

- the responsibilities set out in the Board Protocol – Potential Conflicts and Interests;
- communicating the views expressed by the independent Directors in relation to the Board's business and/or responsibilities to the Board;
- being available as required for discussions with shareholders or other stakeholders;
- approvals and actions required to be performed by the Chairman, if the Chairman is the subject of the approval or action; and
- if the Lead Independent Director is also appointed as Deputy Chairman, performing the role and functions of the Chairman in the absence of the Chairman.

During 2022, Dr Guthrie AO held the roles of Deputy Chair and Lead Independent Director. On 30 January 2023, the Company announced that with effect from 1 March 2023, Ms Hogg has been appointed Deputy Chair and Lead Independent Director, following the resignation of Dr Guthrie AO effective 28 February 2023.

1.2.2 Conflicts of interest

Determinations regarding independence do not change any Director's obligations in managing any conflict of interest. Directors have a continuing obligation to avoid any action, position or interest which conflicts (or may be perceived to conflict) with their position as a Director of the Company. In particular, the Board is cognisant of potential conflicts involving the Barro Group of companies, and has established a Board protocol to address any such conflicts and assist the Directors to observe good governance practice.

As noted above, with the agreement of both the independent and nominee Directors, this protocol was revised and enhanced in March 2019. The revised protocol was announced to the ASX and is available on the Company's website.

1. The Board lays solid foundations for management and oversight continued

1.2.3 Performance evaluation

The Board reviews its performance annually, as well as the performance of individual Committees and individual Directors (including the performance of the Chairman as Chairman of the Board).

For the 2022 financial year, a performance evaluation was conducted internally by the Chairman to assess the performance of individual Directors, the Board as a whole, and the Board's and Directors' interaction with management. The Chairs of the Board's Committees conducted a performance evaluation of the Committees.

The Chairman and Committee Chairs report to the Board concerning the performance evaluation process and the findings of these reviews. As a result of recommendations arising from these reviews, initiatives are introduced to ensure the continued effectiveness of the Board's performance and to enable its sustained focus on key issues for the Company. The implementation of these initiatives is overseen by the Chairman and the Deputy Chair/Lead Independent Director.

Executives and managers are also subject to an annual performance review in which performance is measured against agreed business objectives. The performance of the CEO is assessed by the Board against objectives related to the Company's strategy, business plans and the financial and other performance of the business.

For the 2022 financial year, the performance of the CEO and the CEO's achievement of the agreed objectives was reviewed by the Chairman, the Deputy Chair/Lead Independent Director, the People and Culture Committee and the Board. The performance of the Company's senior executives during 2022 was reviewed by the CEO, the People and Culture Committee and the Board.

1.2.4 Director induction, training and ongoing education

The Company conducts appropriate background checks before appointing a Director. This includes checks of the person's character, experience, education, criminal record and bankruptcy history. Background checks are also conducted before new senior executives are appointed.

Prior to Directors seeking election or re-election at the Company's AGM, shareholders are provided with all material information in the Company's possession relevant to a decision whether or not to elect or re-elect that person.

All newly appointed Directors are provided with an induction, which includes information relevant to their new role, attendances at key sites (where practicable) and introductions to key staff, which is provided or coordinated by the CEO, the Chief Financial Officer and the Company Secretary. This induction includes briefings on the Company's business, strategy, financial, operational and risk management matters and factors relevant to the sectors and environments in which the Company operates.

The Company Secretary and the Nomination and Governance Committee have established a program for periodically reviewing whether there is a need for Directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively. The Nomination and Governance Committee oversees the program and will have regard to any insights gained from the Committee's regular review of the Board skills matrix when exercising that oversight. Ongoing Director education is provided throughout the year in accordance with that program. The Board and its Committees are provided with updates and information from both management and external experts on various topics relevant to the Company's circumstances, including emerging business and governance issues relevant to the Company (such as greenhouse gas emissions, sustainability, and cyber-security risk) and material developments in laws and regulations. The Board and individual Directors attend at operational sites where practicable, meet staff in operations and receive presentations from management across the Group's operations. The Board is informed by expertise from within the Company on matters such as energy supply arrangements and business and product development.

1.2.5 Board succession planning

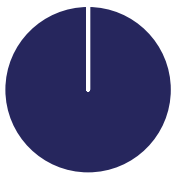
The Board regularly reviews the size and composition of the Board to ensure that appropriate skills, perspectives and expertise are being represented. During 2022:

- two independent Non-executive Directors were appointed, as announced to the market in March and August 2022;
- one independent Non-executive Director retired in May 2022; and
- one executive Director resigned from the Board, as announced to the market in October 2022.

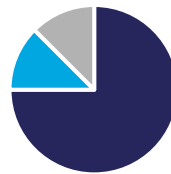
In 2022, the Directors were provided with a questionnaire and requested to undertake a self-assessment to indicate the level of knowledge and competence that they have in respect of the skill areas that the Board considered to be of significant importance to the Company. The skills matrix set out below is current as at the date of this Corporate Governance Statement and demonstrates the skills and experience of the Directors in office as at the date of this Statement.

1. The Board lays solid foundations for management and oversight continued

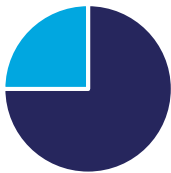
- Deep expertise: a high level of knowledge and experience in an area
- Experienced: direct practical experience in an area
- Awareness: knowledge or indirect experience through interacting with, or having undertaken training in, an area



Management and leadership



Experience in relevant industries



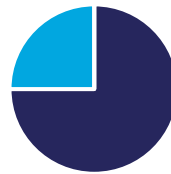
Strategy / risk



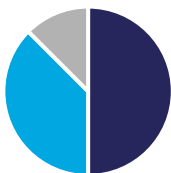
Financial background or experience



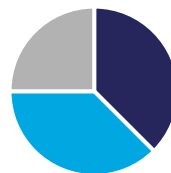
Global experience



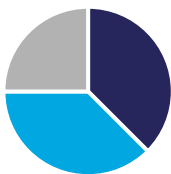
Governance, compliance and regulatory



Remuneration



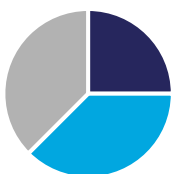
Climate change



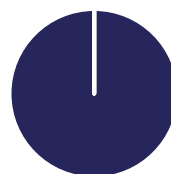
Environment and sustainability



Health and safety



Innovation, technology and marketing



Stakeholder management

1. The Board lays solid foundations for management and oversight continued

The Board reviews this skills matrix regularly to ensure it covers the skills and experience needed to address existing and emerging business and governance issues.

The Board is satisfied that its present composition provides an appropriate mix of skills, experience and diversity for the circumstances of the Company. It recognises that consideration of Board renewal is an ongoing process, and accordingly the Board's composition will continue to be monitored and reviewed during 2023. The Board will also utilise the Board skills matrix review process to identify areas where Directors would benefit from further professional development opportunities.

The People and Culture Committee and the Board also reviewed the succession plans for the senior management team during the year to ensure that appropriate plans have been implemented for the mid to long term.

1.2.6 Diversity

The Board recognises the importance of inclusion in encouraging diversity of thought and delivering better value to our shareholders, customers and the communities we serve. In accordance with the Diversity and Inclusion Policy, the Board has established measurable objectives to enhance gender and other diversity across the organisation. Further information about the Group's diversity objectives and progress achieved (which are reviewed and assessed annually in accordance with the ASX Principles) is set out in the 'Our Sustainability Framework' and 'Healthy, safe and engaged people' sections in the Sustainability Report.

1.3 ESG governance

Adbri is committed to being a responsible corporate citizen and actively seeks to contribute to the wellbeing of shareholders, customers, the economy and the community. To this end, Adbri has in place governance structures to assist in the oversight of environmental, social and governance (ESG) issues.

The Board strives to build sustainable value for shareholders. The Board sets sustainability and measurable diversity objectives, and monitors and reviews policies and processes in place relating to matters such as occupational health and safety, compliance with laws, and the maintenance of high ethical standards. Further, the Board formulates Adbri's policy in relation to, and monitors, the implementation of sustainable resource use and the impact of Adbri's operations on the environment, community and stakeholders.

The Board has established a Safety, Health, Environment and Sustainability Committee, whose role includes assisting and advising the Board on matters relating to community engagement, corporate social responsibility and sustainability, and monitoring and overseeing the effectiveness of Adbri's practices concerning work health and safety and Adbri's impact on the environment.

The People and Culture Committee supports the achievement of Adbri's ESG priorities through its work in ensuring that its remuneration framework is aligned with its values. A portion of executive remuneration has been linked to sustainability-related performance metrics. These include ones relating to climate change, which are intended to assist with meeting Adbri's goal to operate at net zero emissions by 2050 as stated in its 2022 Net Zero Roadmap, and to hold management accountable for the achievement of that goal notwithstanding the hard-to-abate processes that Adbri operates.

The Board is assisted by the Audit, Risk and Compliance Committee in relation to monitoring systems of risk management and internal control and ethical and legal compliance, including reviewing procedures in place to identify material sustainability risks and new or emerging non-financial risks, and the implementation of appropriate systems to manage these risks.

Further, the Nomination and Governance Committee regularly assesses the Board skills matrix. Climate change, environment and sustainability, health and safety, and governance, compliance and regulatory are among the key skills that the Nomination and Governance Committee considers in assessing the appropriate mix of skills, experience and expertise represented on the Board and in overseeing the renewal process for the Board and senior executive team.

More information about the role of the Board's Committees can be found in section 2. More details about Adbri's net zero emissions goal, including key underlying assumptions, can be found in our Net Zero Roadmap.

2. Composition and responsibilities of Board Committees

To assist the Board in fulfilling its responsibilities, the Board has established a number of Committees with responsibility for particular areas:

- Audit, Risk and Compliance Committee;
- People and Culture Committee;
- Safety, Health, Environment and Sustainability Committee; and
- Nomination and Governance Committee.

Each Committee has a specific charter, which are each available on the governance section of the Company's website at www.adbri.com.au. The Board periodically reviews each Board Committee's charter, role and responsibilities.

Directors have access to all Committee papers (subject to any conflicts of interest), even when they are not members of the Committee. It is the practice of the Committees, on occasions when relevant, to invite other Directors to attend Committee meetings. All Committees report matters to the Board or to other Committees where the matter is relevant to their responsibilities.

Details on the number of meetings held by the Board and its Committees during 2022, and attendance by Board members, can be found on page 24 of the Company's 2022 Annual Report. Information on the relevant skills, experience and expertise of each Director and their period in office can also be found on pages 21 to 23 of the Annual Report.

The composition and responsibilities of the Committees are set out in the following tables:

Table 1: Audit, Risk and Compliance Committee and People and Culture Committee

	Audit, Risk and Compliance Committee	People and Culture Committee
Roles and responsibilities	<p>The Audit, Risk and Compliance Committee:</p> <ul style="list-style-type: none"> – assists the Board in relation to the reporting of financial information, the appropriate application and amendment of accounting policies, the appointment, independence and remuneration of the external auditor, and the performance of the internal audit function (including independence, effectiveness and appropriate coordination with external auditors). – provides a forum for communication between the Board, management and both the internal and external auditors. – reviews and reports to the Board on the effectiveness of the Company's ongoing risk management program and policies and procedures and whether management is operating with due regard to risk appetite. – reviews and reports to the Board regarding the appropriateness of the Company's compliance procedures. – provides a conduit to the Board for external advice on audit, risk management and compliance matters. – oversees that there are appropriate processes in place for assembling, aggregating and reporting relevant information regarding financial and non-financial risk across the Group's activities. 	<p>The People and Culture Committee assists the Board in relation to remuneration, people and culture matters. It:</p> <ul style="list-style-type: none"> – assists and advises the Board on matters relating to the appointment, succession and remuneration of the CEO and other senior executives. – oversees the implementation of the Company's short term and long term incentive arrangements, including reviewing performance targets for senior executives, and assessing the extent to which performance conditions are satisfied. – reviews and makes recommendations to the Board on Non-executive Director remuneration. – annually reviews and makes recommendations to the Board in relation to the measurable objectives for achieving diversity set by the Board and the progress made towards achieving them. – monitors, reviews and makes recommendations to the Board in relation to people and culture strategies and initiatives. – reviews the Group's remuneration framework to ensure that it is aligned to the Group's values, strategic objectives and risk appetite. – reviews the Company's annual remuneration report.
Composition	<p>Composition requirements include:</p> <ul style="list-style-type: none"> – there must be a minimum of three members who may only be Non-executive Directors, a majority of whom must be independent. – the Chair must be an independent Non-executive Director who is not Chairman of the Board. <p>It is intended that all members of the committee must have familiarity with financial management and at least one committee member must have expertise in financial accounting and reporting.</p>	<p>Composition requirements include:</p> <ul style="list-style-type: none"> – there must be a minimum of three members, all of whom are Non-executive Directors, and a majority of whom must be independent. – the Chair must be an independent Non-executive Director.
Membership as at 31 December 2022	<p>Ms Stein (Chair)</p> <p>Mr Tarrant</p> <p>Ms Hogg</p> <p>Committee composition satisfied the requirements described above during the past financial year.</p>	<p>Dr Guthrie AO (Chair)</p> <p>Ms Stein</p> <p>Mr Barro</p> <p>Mr Wright</p> <p>Committee composition satisfied the requirements described above during the past financial year.</p>
Consultation	<p>Members of management may attend meetings of the Committee at the invitation of the Committee Chair. It is the practice of the Committee that the CEO, the Chief Financial Officer, the Group Risk Manager, the General Manager Finance, and the Company Secretary attend all Committee meetings.</p> <p>In fulfilling its responsibilities, the Committee has rights of access to management and to internal and external auditors in the absence of management and may seek explanations and additional information.</p> <p>It is the practice of the Committee to meet with the Company's external auditors, without any member of management present. The Company's external and internal auditors regularly attend meetings of the Committee.</p>	<p>Members of management, particularly the CEO, the Chief Sustainability and People Officer, the Chief Financial Officer, Group Manager – People and Culture or the Company Secretary, may also attend meetings of the Committee at the invitation of the Committee Chair, whenever particular matters arise that require management participation, such as reviewing senior executive performance, succession planning or the CEO's recommendations to the Committee.</p> <p>The Committee obtains external advice from independent remuneration consultants in determining the Company's remuneration practices and executive service agreements where considered appropriate.</p>

3. Composition and responsibilities of Board Committees continued

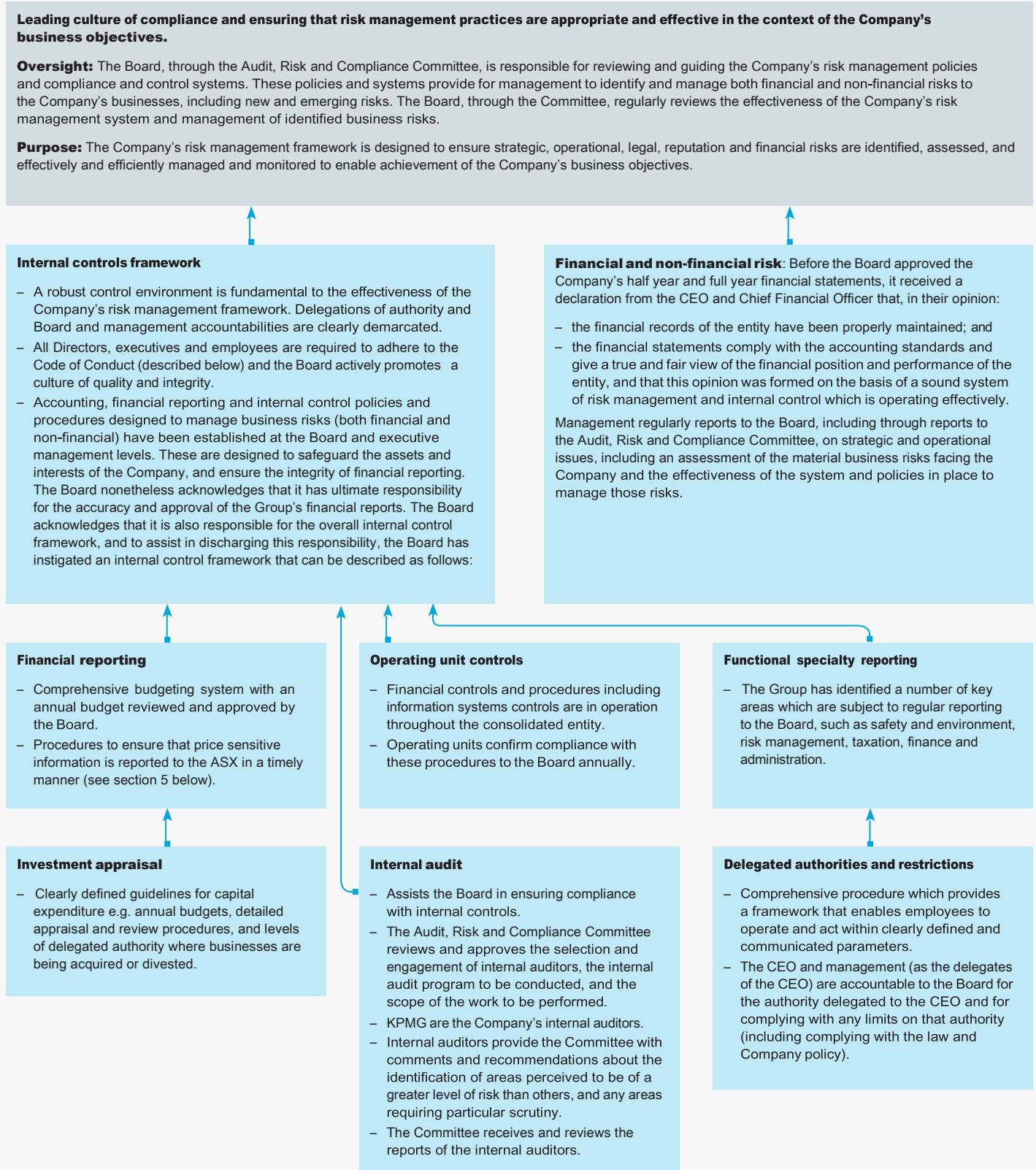
Table 2: Safety, Health, Environment and Sustainability Committee and Nomination and Governance Committee

	Safety, Health, Environment and Sustainability Committee	Nomination and Governance Committee
Roles and responsibilities	<p>The Safety, Health, Environment and Sustainability Committee:</p> <ul style="list-style-type: none"> – monitors and oversees, on behalf of the Board, the effectiveness of the practices of the Group concerning work health and safety and the Group's impact on the environment. – assists and advises the Board on matters relating to community engagement, corporate social responsibility and sustainability as applicable to the circumstances of the Group. – reviews significant changes to health, safety and environment policies which form part of the Group's health and safety framework. – oversees the Group's policies, practices, procedures and systems to ensure that, to the extent appropriate, they promote ethical behaviour, consider the impact of Group operations on the environment and communities, and promote sustainability in the Company's business. 	<p>The Nomination and Governance Committee assists the Board in relation to nomination and governance matters. It:</p> <ul style="list-style-type: none"> – assists and advises the Board on matters relating to Board composition and the nomination, appointment, and succession of the Non-executive Directors. – assesses the appropriate mix of skills, experience, expertise, independence and diversity required on the Board. – establishes processes for the review of the performance of individual Non-executive Directors, the Board as a whole and the operation of Board Committees. – oversees the induction and ongoing training and education programs for the Board; – oversees the periodic review of the Company's corporate governance framework, systems, charters and policies. – assists and advises the Board in relation to best practice corporate governance appropriate to the circumstances of the Company.
Composition	<p>Composition requirements include:</p> <ul style="list-style-type: none"> – that there must be a minimum of three members, a majority of whom must be independent; and – the Chair must be an independent Director. 	<p>Composition requirements include:</p> <ul style="list-style-type: none"> – there must be a minimum of three members who must be independent Directors; and – the Chair is the Lead Independent Director.
Membership as at 31 December 2022	<p>Mr Wright (Chair) Mr Barro Dr Guthrie AO</p> <p>Committee composition satisfied the requirements described above during the past financial year.</p>	<p>Dr Guthrie AO (Chair) Ms Stein Mr Wright</p> <p>Committee composition satisfied the requirements described above during the past financial year.</p>
Consultation	<p>Members of management may attend meetings of the Committee at the invitation of the Committee Chair.</p> <p>Committee meetings are usually attended by the CEO, the Chief Sustainability and People Officer, the Group Manager – Health, Safety and Environment, the Company's Chief Operating Officers, the Chief Financial Officer, and its Company Secretary.</p>	<p>Members of management may attend meetings of the Committee at the invitation of the Committee Chair.</p>

3. The Board recognises and manages risk and safeguards the integrity of financial and other reporting

3.1 Framework

The Board has approved the following framework within which the Company discharges its risk management function:



3. The Board recognises and manages risk and safeguards the integrity of financial and other reporting continued

The Board, in consultation with the Audit, Risk and Compliance Committee, reviews the Company's risk management framework at least annually. This review was conducted in 2022 and the Board satisfied itself that the Company's risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.

3.2 Environmental and social risks

The Company's commitment to sustainability is built on sound business strategy that supports continuous improvement in the social, environmental and economic performance of the Company. Adbri continually analyses its activities and considers the needs of all stakeholders to identify key opportunities for improvement and sustainable development. Details about the Company's environmental and social risks and how it manages them are set out in the Directors' Report on pages 20 to 21, and further details are outlined in the Sustainability Report.

3.3 Audit Services

The Company's and the Audit, Risk and Compliance Committee's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is considered annually. Deloitte Touche Tohmatsu is the external auditor of the Company for the Group's financial report for the year ended 31 December 2022.

The Board has adopted a policy in relation to the provision of non-audit services by the Company's external auditor. It is based on the principle that work that may detract from the external auditor's independence and impartiality (or that may be perceived as doing so) should not be carried out by the external auditor. Details and the breakdown of fees for non-audit services and an analysis of fees paid or payable to external auditors are provided in Note 32 to the Financial Statements in the Company's 2022 Annual Report.

KPMG have been appointed as the Company's internal auditor. The Audit, Risk and Compliance Committee is responsible for assessing the performance and objectivity of the internal audit function.

3.4 Verification of unaudited periodic reports

The Audit, Risk and Compliance Committee assists the Board in discharging its responsibilities in relation to the external reporting of financial information for the Company. The Company has a comprehensive process for preparing, verifying and approving the full and half year financial statements, and the external auditor provides a report in accordance with auditing standards ahead of release to the market.

The Company publishes additional unaudited information in the half year and annual reports (including the sustainability report that is published as part of the annual report). Although this information is not externally audited, the Company has in place policies to seek to ensure that such information is not inaccurate, false, misleading or deceptive, does not have material omissions, and complies with any applicable laws, regulations, governance standards and the Company's policies.

Adbri has adopted the following process to verify material statements in these documents before they are released to the market:

- content is prepared by, or under the oversight of, the relevant subject matter expert for the area being reported on;
- a verification schedule is set up to allocate the material statements within those documents to persons who are responsible for verifying their accuracy and completeness;
- material statements of fact are reviewed by relevant group executives against source data for accuracy, and statements of opinion are separately identified and reviewed by relevant group executives for reasonableness to determine if there is a sound basis for the statement being made; and
- the verification process for the full-year and half-year reports (including information about the relevant information owner(s), information source(s) and evidence used to support statements made in the relevant report) is formally documented and reviewed by the Audit, Risk and Compliance Committee before approval by the Board. In addition, the Board receives a written declaration in relation to the financial statements of the Company from the CEO and Chief Financial Officer (see section 3.1).

The Board approves the half year and annual reports, including the sustainability report.

4. The Board is committed to promoting ethical and responsible decision-making

4.1 Code of conduct and whistleblower program

The Company is committed to upholding the highest ethical standards of corporate behaviour. A Code of Conduct has been adopted, which requires that all Directors, senior management, employees and contractors act with the utmost integrity and honesty. It aims to further strengthen the Company's ethical climate by promoting practices that foster the Company's key values.

The Code of Conduct is publicly available on the Company's website at www.adbri.com.au.

The Code of Conduct is reviewed regularly to ensure that it remains relevant to the Company's values and practices. The Board's approach is that the Company's Code of Conduct should continue to be updated as circumstances, standards and expectations continue to evolve.

The Company has also adopted and continually reviews policies requiring compliance with (among others) occupational health and safety, environmental, privacy, diversity, equal employment opportunity, harassment, fair treatment, modern slavery, and competition and consumer law. The Company monitors the effectiveness of these policies. Further, the Company has adopted a whistleblower or 'Speak Up' policy and anti-bribery and corruption policy, which have been communicated to all Company personnel and published on the Company's website.

Adbri has a strong culture of doing the right thing. The Code of Conduct requires all officers, employees, contractors, agents or people associated with the Company to report any potential breaches of the Code under the whistleblower program. This may be done anonymously. The Board of Adbri, and management across the Group, takes compliance with the Code of Conduct seriously. Compliance with the Code of Conduct is monitored by senior management and the Audit, Risk and Compliance Committee receives and reviews reports of material whistleblower complaints and any other material reported breaches of the Company's policies (including the Code of Conduct and anti-bribery and corruption policy). The People and Culture Committee also receives reports about whistleblower complaints to identify any trends, hot spots, or indicators of cultural behaviours for particular attention.

The Company has established an anonymous, 24-hour whistleblower hotline (operated by an independent external provider) and relevant personnel received training in relation to their obligations under the whistleblower policy.

4.2 Shareholdings of Directors and employees

The Board has a policy that Directors and other designated personnel may not buy or sell Adbri Ltd shares except where prior approval is obtained.

Approval is only likely to be granted during specified periods known as 'Trading Windows' (unless there are exceptional circumstances), which cover the period of one month following the annual and half year results announcements and the annual general meeting. The policy also defines certain circumstances where trading is not permitted under any circumstances, including during 'Blackout Periods' (which cover the two months preceding lodgement of half year and annual results announcements), and any instance when a Director or other designated personnel is trading for short-term gain. In all cases, Directors and other designated personnel are prohibited from trading in securities when they are in possession of 'inside information'.

The Company's Share Trading Policy is available on the governance section of the Company's website at www.adbri.com.au.

To enhance Board alignment with shareholder interests, the Board introduced a Non-executive Director Minimum Shareholding Policy in 2018. The Minimum Shareholding Policy was adopted in order to encourage Non-executive Directors to accumulate and maintain a meaningful level of ownership in Adbri.

The Board continues to consider that Executives' interests are sufficiently aligned to those of our shareholders through their Long Term Incentive (LTI) and deferral of a portion of their Short Term Incentive (STI Deferral) (as the LTI and STI Deferral are subject to share price fluctuation).

4.3 Remuneration of Directors and employees

Non-executive Directors receive a base fee in relation to their service as a Director of the Board, and an additional fee for membership of, or for chairing a Committee (except in the case of the Nomination and Governance Committee where no additional fees are paid to its Chairman or members). These fees are not linked to the performance of the Group, in order to maintain the impartiality of the Non-executive Directors.

Executives (including the CEO) can receive a mix of fixed annual remuneration and 'at-risk' remuneration (comprised of short term and long term incentives). The remuneration and other terms of employment for executives are set out in formal employment contracts referred to as Service Agreements.

Further information about the Company's policies and practices regarding the remuneration of Directors and executives is contained in the Company's 2022 Remuneration Report contained at pages 27 to 47 of the 2022 Annual Report.

5. The Board is committed to timely and balanced disclosure and respects the rights of shareholders

5.1 Continuous disclosure

The Company is committed to providing relevant and timely information to its shareholders and to the broader market, in accordance with its obligations under the *Corporations Act 2001* and the ASX continuous disclosure regime.

The Company's Continuous Disclosure Policy is available on the Company's website at www.adbri.com.au. It sets out guidelines and processes to be followed in order to ensure that the Company's continuous disclosure obligations are met. Material information must not be selectively disclosed prior to being announced to the ASX. Directors are provided with copies of all announcements made in compliance with the Company's continuous disclosure obligation promptly after they have been made, if not beforehand.

These policies and procedures are supplemented by the Shareholder Communications Policy (also published on the Company's website at www.adbri.com.au) which includes arrangements the Company has in place to promote communication with shareholders and encourage effective participation at general meetings.

The Company Secretary has been nominated as the person responsible for communicating with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements and overseeing and coordinating (with the General Manager Corporate Finance and Investor Relations) information disclosure to the ASX, analysts, brokers, shareholders, the media and the public. The Company Secretary ensures that any new and substantive investor or analyst presentation is released on the ASX before the presentation is given.

5.2 Communication with shareholders

The Company's website contains copies of key corporate governance documents, its Constitution, annual reports, financial accounts, ASX releases, the names, photographs and biographical details of the Directors, an overview of the Company's current business, an events calendar and other investor relations publications. All relevant announcements made to the market via the ASX, and any related information, are also posted on the Company's website.

The Company has an investor relations program to facilitate effective two-way communication with investors. Shareholders can communicate with the share registry and the Company by electronic means. The Company's website provides the contact details for the Company's share registry and for shareholder enquiries. The website contains a facility for shareholders to contact the Company and to ask questions electronically, and sets out the other services available to shareholders online.

The Board encourages full participation of shareholders at the Annual General Meeting in order to promote a high level of accountability and discussion of the Group's strategy and goals. For example, the Company allows shareholders to submit written questions to the Company ahead of the Annual General Meeting. The Company also ensures that notices of Annual General Meetings are accessible on its website. All substantive resolutions at shareholder meetings are decided by a poll rather than by a show of hands.

The external auditor will attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies adopted by the Company in relation to the preparation of the financial statements, and the independence of the auditor in relation to the conduct of the audit.

