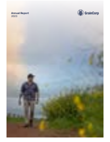
Annual Report
2023

GrainCorp

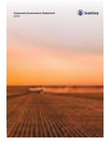
GrainCorp is a leading diversified Australian agribusiness, with an integrated operating model connecting growers to domestic and international consumers around the globe.

Contents

Reporting suite 2023


Annual Report


Sustainability Report


Corporate Governance Statement

These reports are available on our website graincorp.com.au

Cover image: GrainCorp Grower Services Manager Chris O'Rourke at an on-farm grower visit near Boort, Victoria.

Our Vision

Lead sustainable and innovative agriculture through another century of growth.

Our Purpose

Proudly connect with customers and rural communities to deliver value through innovation and expertise.

Acknowledgement of Country

GrainCorp acknowledges Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia and embraces the spirit of reconciliation, working towards the equality of outcomes and ensuring an equal voice.

Our Values

We do what's right

We prioritise what is right for the business, the customer and each other when making decisions, to deliver sustainable high performance and results. If in doubt we simply ask, "Could I?" and then "Should I?".

We care

We actively support, respect and trust each other professionally and personally, creating a positive environment where everybody brings their whole self to work.

We stay safe

We strongly believe that all injuries are avoidable, taking all necessary action to ensure every GrainCorp workplace is safe and healthy for all our team members and customers.

We deliver

We demonstrate accountability for our decisions, actions and results by taking personal ownership. We do what we say on time every time to deliver and exceed on expectations.

FY23 highlights

Financial

GrainCorp achieved a strong financial result in FY23, delivering its second largest ever EBITDA following last year's record result. Strong cashflow generation and disciplined capital management allowed the Board to declare total dividends of 54cps in FY23.

See more at www.graincorp.com.au/shareholder-information/#results

EBITDA

$565m

FY22: $703m

NPAT

$250m

FY22: $380m

Dividends per share

54cps

FY22: 54cps

Core cash

$349m

FY22: $117m

Return on invested capital

18.6%

FY22: 27.9%

Operational

GrainCorp had another exceptional year in FY23 with continued demand for Australian grain and a resilient supply chain that performed efficiently. GrainCorp's business segments, Agribusiness and Processing, executed well in FY23, with the Processing business achieving a record crush volume.

See more at grains.graincorp.com.au/locations

Tonnes of grain handled

37.4mmt

FY22: 41.1mmt

Tonnes of grains exported

8.3mmt

FY22: 9.2mmt

Tonnes of oilseed crushed

496kmt

FY22: 471kmt

Tonnes of food sales volumes

221kmt

FY22: 236kmt

Recordable Injury Frequency Rate (RIFR)

5.6 per million hours worked

FY22: 6.7 per million hours worked

Sustainability

GrainCorp further strengthened its sustainability governance in FY23 by increasing the accountability of key leaders within our organisation. We were pleased to see improvements in several key sustainability metrics across the business.

For more information please see page 21 and our FY23 Sustainability Report available at: sustainability.graincorp.com.au

GHG emissions per tonne

0.003tCO_2-e

FY22: 0.003tCO_2-e

Water use per tonne

0.012kL

FY22: 0.012kL

Processing sites – GHG emissions per tonne

0.074tCO_2-e

FY22: 0.083tCO_2-e

Gender pay gap

8.3%

FY22: 9.8%

Tradewater discharged per tonne

0.005kL

FY22: 0.005kL

Intensity metrics are measured per unit of production/throughput tonne. They are influenced by fluctuations in the annual volume of grain handled by GrainCorp, which is directly correlated to the size of the East Coast Australia harvest.

Remote monitoring trials show promise for accurate, 'always-on' tracking of stored grains.

Chairman's Statement

On behalf of the GrainCorp Board of Directors, I am pleased to deliver our FY23 Annual Report in what was another year of exceptional performance for the Company.

GrainCorp's NPAT of $250 million was another great result for the company. It was achieved through outstanding supply chain execution which enabled us to handle high grain volumes and capitalise on continued strong demand for Australian commodities.

We pushed ahead with our strategy of strengthening our core businesses, delivering tangible operational improvements across our Agribusiness and Processing value chains.

The East Coast Australia (ECA) business achieved its second highest domestic outload of grain on record, while grain export volumes also reached historically high levels. The efficiency of our integrated network and the resilience of our people was evident in managing the disruptions caused by flooding across New South Wales and Victoria earlier this year.

The International business recorded one of its best results, driven by strong origination in Western Australia to key international destination markets across Asia. GrainCorp is well positioned to respond to increasing demand for grains and oilseeds, which is underpinned by a growing need globally for sustainable food and fuel solutions.

GrainCorp's international teams across North America, Asia, the United Kingdom and Ukraine enable diversified origination for our global customers; and I would particularly like to recognise the continued strength and resilience of our Ukrainian team. The team is safe and some members have been integrated into other parts of our business. We will continue to work with them to prioritise their safety and wellbeing.

Our oilseeds business crushed a record volume of almost 500,000 tonnes of seed throughout the year, with our teams driving operational efficiencies through advanced analytics.

GrainCorp's balance sheet strength provided us with the flexibility to explore a range of growth opportunities, including the announced acquisition of XF Australia, a provider of animal nutrition products and services, and several exciting investments through our corporate venture capital program, GrainCorp Ventures.

We took a disciplined approach to capital management, with strict allocation criteria applied to all investments. Our ROIC remained strong in FY23 at 18.6% and we continue to prioritise generating an appropriate return on our capital.

Safety

It is with great sadness we reflect on the tragic fatality at our receival site in Moree, NSW.

Our colleague worked as a grain handler at Moree and had been a valued member of the GrainCorp team for three years. We would like to express our deepest condolences to his family, friends and colleagues.

The Board and management remain resolute in embedding a strong safety culture and in our enduring commitment to 'zero harm' to our people. This accident demonstrates there is more work to be done.

Delivering shareholder value

At 30 September 2023, GrainCorp recorded a core cash position of $349 million. This positions us to continue delivering value for shareholders through investment in our business and through further capital returns.

The Board is pleased to declare a final dividend for FY23 of 30 cents per share, fully franked. This is comprised of a 14cps ordinary dividend and a 16cps special dividend, bringing total dividends for FY23 to 54cps ($121m).

We have also committed to returning an additional $50m to shareholders through a share buy-back.

Our continued focus on customer delivery and driving efficiencies has led to a change in our reporting structures. The creation of GrainCorp Nutrition and Energy, through the integration of Processing with Feeds, Fats and Oils, is a material step forward in our ambition to be Australia's leading agribusiness, servicing the food, feed and fuel sectors.

Highlights

NPAT

$250m

2023

2022 $380m

Total dividends

54cps

2023

2022 54cps

We pushed ahead with our strategy of strengthening our core businesses, delivering tangible operational improvements across our Agribusiness and Processing value chains.

Chairman’s Statement

Board

In FY23 the Board continued its focus on key priority areas such as strategy execution, safety and culture, financial and operational performance, sustainability, and cyber security in a rapidly evolving regulatory, technological and operational landscape. This focus was supported by strong engagement with our people, internal and external subject matter experts, growers, customers, industry and community.

During the year, Directors visited a number of our operational sites and regional and overseas offices to engage directly with our people and the communities in which we operate. This allowed the Board to gain a first-hand understanding on key operational priorities and initiatives, health and safety culture and GrainCorp’s contribution to the ongoing sustainability of our industry.

Sustainability

Sustainability is at the heart of our vision and purpose at GrainCorp. In FY21 we transformed our approach to sustainability, creating a governance framework and investing in people, capabilities and processes. Since then, we have continued to develop and enhance these capabilities and to ensure that sustainability considerations form an integrated part of our strategic, financial and operational decisions.

In FY23, there was a specific focus on educating and upskilling the Board to best inform our strategy in the rapidly changing sustainability landscape. The Board and Board Committees education program covered key areas such as global reporting frameworks, GrainCorp’s readiness for International Sustainability Standards Board (ISSB) requirements, modern slavery, sustainable agriculture and Directors’ duties relating to climate change risk.

FY23 was the first full year of operation of the GrainCorp Board Sustainability Committee, and I am pleased to advise how the role and the work of the Committee has developed during this time. The Committee focused on developing an understanding of the areas of sustainability most relevant to the GrainCorp businesses and on establishing the most effective ways to guide and support management in driving our sustainability strategy.

Our Sustainability Report highlights our key priorities, opportunities and achievements in FY23. We are pleased to see improvements around energy and water productivity, emissions intensity ratios across our processing sites, and the ongoing work of the GrainCorp Community Foundation. I recommend the FY23 Sustainability Report to you.

11%
decrease in emissions per tonne of production across GrainCorp’s processing sites

>140
community groups supported via GrainCorp Community Fund

The GrainCorp Community Foundation (GCF) supported more than 140 community groups in regional and rural communities across Australia.

Supporting our industry

GrainCorp’s corporate venture capital fund, GrainCorp Ventures, continues to invest in technologies that seek to address fundamental challenges facing our industry while supporting long-term, sustainable growth of Australian agriculture. We continue to work closely with portfolio companies to support scale-up in market and remain focused on investing across AgTech, food innovation and animal nutrition, with $12m invested this year.

During FY23 we expanded our investment portfolio to include Zetifi, ZoomAgri and LoamBio, alongside our existing investments in FutureFeed and Hone.

Supporting our community

In its second year of operation, the GrainCorp Community Foundation (GCF) supported more than 140 community groups in regional and rural communities across Australia.

This support included funding across a range of projects, educational programs and sporting clubs through grants and sponsorships, as well as the completion of three silo art projects.

Through the GCF, funding was also provided to disaster relief efforts in Australia and New Zealand to manage the effects of flooding on regional communities.

And finally, we were pleased with our success in the first year of our corporate partnerships program. In July 2023 we entered into a three-year partnership with GO Foundation, an Aboriginal led and governed organisation providing education scholarships to Aboriginal and Torres Strait Islander students. I am also delighted to announce our recent partnership with Ronald McDonald House Charities (RMHC) which provides accommodation and support to the families of seriously ill or injured children. GrainCorp is sponsoring five branches of RMHC across the ECA in Sydney, Brisbane, Melbourne, Wagga Wagga and Tamworth.

Conclusion

I sincerely thank all of our GrainCorp colleagues for their efforts and commitment to delivering for our customers in what has been another very busy year. The sustained improvement we achieved in operational efficiency across our end to end supply chain is a testament to the dedication and expertise of our people.

I am confident the Board and management team will continue focusing on delivering returns to shareholders as GrainCorp executes on its strategy of strengthening its core business, while exploring growth opportunities across the industry.

We are well positioned to continue supporting growers, our customers, suppliers and members of the communities in which we operate.

Finally, I would like to thank all of our shareholders for your ongoing support.

Peter Richards
Chairman and Non-executive Director

We are well positioned to continue supporting growers, our customers, suppliers and members of the communities in which we operate.

GrainCorp Animal Nutrition’s feed supplements help producers maintain livestock health and condition.

Managing Director and CEO's Report

Highlights

EBITDA

$565m

2023

2022 $703m

Return on invested capital (ROIC)

18.6%

2023

2022 27.9%

GrainCorp continues to proudly connect with our customers and rural communities to deliver value through innovation and expertise.

GrainCorp delivered another strong year in FY23, with excellent performance across the business and a continued commitment to supporting a sustainable agriculture industry.

With continued demand for Australian grain and a resilient, efficient supply chain, GrainCorp's business segments, Agribusiness and Processing, performed strongly in FY23, with the Processing business achieving a record result.

Our disciplined focus on operational performance allowed us to capitalise on another bumper harvest, with over 37 million tonnes of total grain handled. In addition, despite some expected softening in the second half of the year, margins for FY23 remained well above historical averages.

Prior to the ECA winter harvest, we improved our in-loading and out-loading capabilities through investment in our mobile equipment, including stackers and drive-over grids, and added new storage to key sites in the ECA up-country network.

It was encouraging to see an immediate payback from those initiatives, including reduced truck turnaround times at site and a significant uplift in our net promoter score.

Notwithstanding the strong production of grain, many regional communities experienced extreme weather events including severe flooding in those regions in which our people live and work.

In supporting these communities through volunteering, funding and a commitment to keep our sites operating, our teams at GrainCorp demonstrated resilience and adaptability.

Our results through the year also reflect our work to strengthen the core of the business; driving asset returns, improving supply chain performance and a focus on cost management.

Combined with our track record of strong cashflow generation and disciplined capital management, GrainCorp is well positioned for FY24 and beyond.

Sustainability

Our vision at GrainCorp is to lead sustainable and innovative agriculture through another century of growth and, with our focus on the future, our key strategic priority is the creation and maintenance of a best-in-class sustainable supply chain.

We are striving to achieve this by integrating sustainability in our commercial, financial and operational processes and embedding our sustainability commitments in the mindset of our management, our senior leadership, and all of our teams at GrainCorp.

Last year, we established a Board Sustainability Committee (BSC) and appointed a new General Manager of Sustainability; both steps were critical in creating accountability and prioritising sustainable practices moving forward.

In FY23, we built further on the theme of accountability by appointing the members of our Executive Leadership Team (ELT) to act as sponsors of the workstreams identified as most material to sustainability in our business.

This sponsorship of key working groups including *Climate* and *Responsible Sourcing*, by the Executive Leader working most closely to those focus areas, has led to a greater awareness of our goals and of the opportunities available to the business.

The sustainability program at GrainCorp is focused on the areas of sustainability most relevant to the business, our customers and stakeholders.

In FY23, we conducted a detailed assessment of these topics to ensure their continued relevance to our business, and to refine our focus on the specific elements that our stakeholders have highlighted as critically important. The entire materiality assessment process is overseen by the BSC and will continue in FY24.

Our FY23 Sustainability Report outlines our progress and ongoing commitments in this area, and highlights the tremendous opportunities that sustainability presents for our business and our industry. Further detail on GrainCorp's activities is provided on pages 20–23 of this report.
I am proud of our Sustainability Report and the commitments and progress we have made this year, and I recommend the report to you.

Managing Director and CEO's Report

Health, safety and wellbeing

At GrainCorp, one of our core values is 'We Stay Safe' and we have an enduring commitment to 'zero harm' to our people and the environment in which we operate.

Tragically, in April of this year, a fatal truck accident occurred at our Moree site in NSW, resulting in the death of a member of the grain handling team. Our colleague had been part of GrainCorp since September 2020 and was a well-liked, respected and valued member of the team at Moree.

On behalf of everyone at GrainCorp, I wish to once again pass on sincere condolences to our colleague's family, friends and workmates in the Moree community. This accident highlights why the safety of our employees remains our highest priority and why we remain committed to striving to achieve our goal of zero harm.

In FY23, we continued to implement initiatives targeting physical and psychological safety aimed to reduce injuries and promote wellbeing.

Hazard identification and reporting remained an integral component of our disciplined risk management culture.

Financial performance and operational highlights

GrainCorp delivered another exceptional financial result in FY23. Our EBITDA was $565m, compared to $703m achieved in FY22, and NPAT was $250m, compared to $380m in FY22.

This performance reflects the investment and efforts our team have put into driving efficiencies across our business.

Agribusiness reported EBITDA of $401m compared to $624m in FY22, with strong performances across ECA, International and Feeds, Fats and Oils (FFO). Although volumes and margins were below the record levels seen last year, both remained well above historical averages in FY23.

The ECA business capitalised on the third successive bumper crop which saw our network handle over 37 million tonnes of grain. This included the second largest level of domestic outloads ever, and our second largest export year in the past decade.

The International business achieved another strong year of results and showcased the benefits of our multi-origination strategy, delivering products to a broad range of end markets and customers. Favourable margins from Western Australia offset another challenging year in Canada, which is still recovering from drought conditions.

FFO performed well in FY23, with excellent execution and high global demand for renewable fuel feedstocks, and strong demand for supplementary animal feed in both Australia and New Zealand.

Processing reported a record EBITDA of $153m, up from $127m in FY22. The Oilseeds business delivered a significant increase in earnings. Our crush facilities in Numurkah, VIC, and Pinjarra, WA achieved record production volumes with 496kmt of output in FY23, up 5% on FY22. Favourable crush margins were driven by a large ECA canola crop and high global demand for vegetable oils.

Our Pin and Peel brand is growing across southeast Asian markets, through the supply of premium bakery, retail spreads and industrial fats and oil products.

Demand for locally grown and refined vegetable oils remained strong, driven partially by Black Sea supply chain disruptions and the weather-impacted Canadian canola crop.

Foods sales volumes were lower in FY23 at 221kmt, compared to 236kmt in FY22.

In New Zealand, a decline in market conditions and performance has led to an impairment charge of $19m within the Processing segment for our NZ business. We have commenced a strategic review into the business.

I would like to make special mention of the work of our Ukrainian team. Despite ongoing conflict in the region, they recovered the value of grain we held locally by finding alternative channels to market through continental Europe.

While our operations in Ukraine remain on pause, we continue to support our Ukrainian colleagues, who are all safe and have been integrated into other parts of the business.

Strategic priorities: Driving shareholder value

GrainCorp's strategic pillars of 'Strengthen the Core' and 'Targeted Growth Opportunities' continue to define how we deliver shareholder value.

Our success in delivering on our strategic priorities facilitated an upgrade in our average through-the-cycle earnings from $240 million EBITDA to $310 million EBITDA in May 2023. This upgrade has primarily been driven by increased crush volumes and margins and the significant operating leverage which GrainCorp is able to achieve in large ECA crop years.

In May 2023, we announced a preliminary study for the creation of new oilseed crush capacity. We believe renewable fuel feedstocks will play a critical role in the path to global decarbonisation, and that GrainCorp can build on its exceptional position as a leading manufacturer and supplier of renewable fuel feedstocks.

Our assessment of the potential new crush capacity has seen us identify Western Australia as a preferred site, based on its favourable canola seed dynamics. We have had positive engagement with both upstream and downstream partners, and we look forward to providing more details in due course.

GrainCorp's corporate venture capital fund, GrainCorp Ventures, continues to invest in emerging and innovative technologies that support the long-term, sustainable growth of Australian agriculture.

Since launching GrainCorp Ventures in May 2022, we have grown our portfolio to include Zetifi, ZoomAgri and Loam, alongside existing investments in FutureFeed and Hone. Further details on some of the companies within our AgTech portfolio can be found in the Sustainability Report and on our website.

In November 2023 we entered into an agreement to acquire XF Australia, a provider of feed supplement products and nutritional consulting services to Australia's feedlot and grazing sector. This acquisition is consistent with our targeted growth strategy and strengthens our customer offering in the animal nutrition sector.

From FY24, the integration of our Processing and Feeds, Fats and Oils functions to better represent the value chain and downstream segments of Human Nutrition, Animal Nutrition and Agri-energy will streamline the experience for our customers and allow GrainCorp to continue capitalising on growth opportunities. This integrated approach will see the Processing segment renamed to Nutrition and Energy with reporting from FY24 to include our Feeds, Fats and Oils business.

Outlook and conclusion

Despite the confirmation of El Niño in Australia, and projections of a normalised ECA winter crop size in 2023/24, harvest has been underway across ECA and key growing regions in southern NSW and Victoria are seeing strong yields.

In our ECA business, the flexibility and adaptability of our operating model allows us to leverage labour and equipment from the northern growing regions to support activities in the south.

In our International business, our strategy of multi-origination and a strong focus on new customer relationships in emerging markets, will position us to capitalise on opportunities in end markets.

We expect the Processing business to deliver strong results, albeit lower than the record numbers delivered in FY23. Our Numurkah crushing facility, already the largest in Australia, continues to perform exceptionally well and we are confident of achieving further efficiencies at our crushing facilities through the use of advanced analytics.

We look forward to continuing our engagement with Federal and State Governments, leading research bodies, and industry partners to promote a more sustainable agriculture industry.

Through a combination of disciplined capital management and strong cash flow generation, GrainCorp is operating with a strong balance sheet, which provides us with tremendous flexibility to pursue our strategic priorities, maintain investment in our core business and continue to provide capital returns to shareholders.

We remain extremely confident in the long-term fundamentals of the demand underpinning our products and services, such as population growth and evolving consumer preferences. We are well positioned to capitalise on this demand through our supply chain capabilities; connecting upstream growers with domestic and international customers.

As our purpose states, GrainCorp continues to proudly connect with our customers and rural communities to deliver value through innovation and expertise.

We will continue to work closely with Australian growers to ensure the agricultural industry remains at the forefront of technological and sustainable advancement, and to support their vibrant communities through the GrainCorp Community Foundation.

I would like to thank the whole team at GrainCorp for their tremendous effort and contributions throughout the year, and thank growers, customers, and our shareholders for your ongoing support.

Robert Spurway
Managing Director & CEO

Our network of assets

GrainCorp is a leading Australian agribusiness and processing company, with integrated operations across four continents and a proud history of delivering for customers for more than 100 years.

7
Ports across ECA

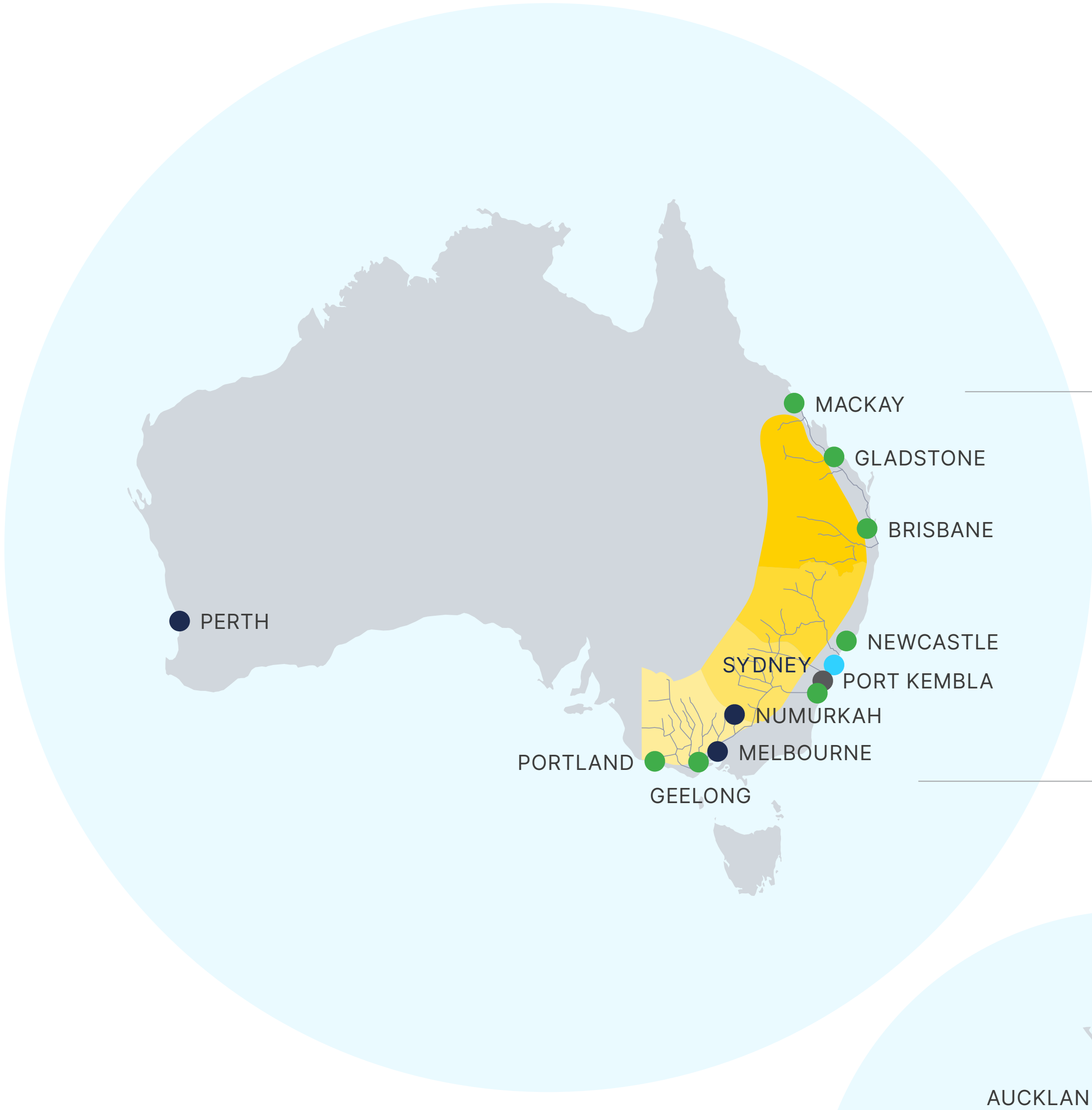
>160
Grain receival sites throughout ECA

12
Marketing offices globally

>500kmt
Oilseed crush capacity

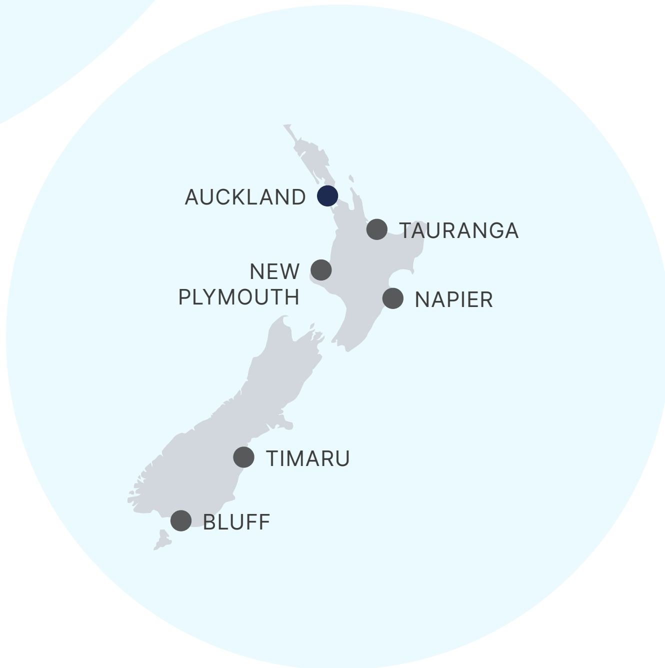
290kmt
Refining, bleaching, deodorising (RBD) capacity

* GrainsConnect Canada, a joint venture with Zen-Noh Grain Corporation.
^ GrainsConnect Canada joint venture with Parrish & Heimbecker.



GrainCorp has a significant regional accumulation, storage and handling network on the east coast of Australia.

See our network map
grains.graincorp.com.au/locations



- GrainCorp head office
- Processing facilities
- Storage network – ECA
- Ports
- Liquid terminals
- GrainsConnect Canada receival sites
- International offices

How we operate

We partner with growers to maximise the value of their crops, connecting them to domestic and global marketplaces through our end-to-end supply chain and infrastructure assets.

We develop innovative solutions to create high quality and sustainable products across Human Nutrition, Animal Nutrition and Agri-energy for domestic and international customers.

International

- Global network of offices, originating grain, pulses and oilseeds from different regions
- Delivering to 350+ customers in 50+ countries
- Includes GrainsConnect Canada joint venture and Saxon Agriculture

East Coast Australia (ECA)

- Largest grain storage and handling network on ECA
- >160 regional receival sites and seven bulk ports, connected by road and rail infrastructure
- Import/export of other bulk materials, e.g. cement, woodchips and fertiliser

Human Nutrition

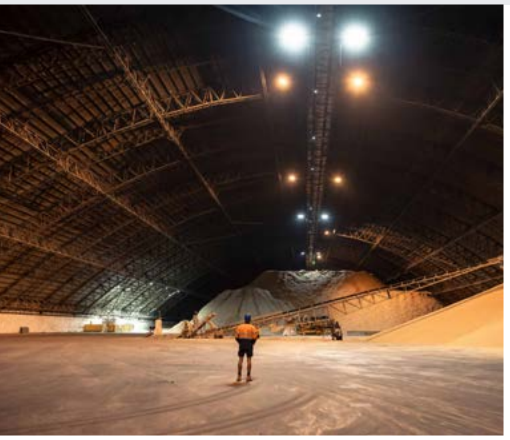
- One of Australia's largest refiners of edible fats and oils
- Products include blended and single oils, infant nutrition, bakery products, margarines and spreads and frying shortening
- One of Australia's largest importers of vegetable oils

Animal Nutrition

- One of Australia's largest canola meal producers, a by-product of canola seed crushing
- Supplier of vegetable oil and molasses-based feed supplements to enhance farm productivity
- Presence in Australia and NZ

Agri-energy

- One of Australia's largest collectors of Used Cooking Oil (UCO)
- Australia's largest exporter of tallow and UCO
- Access to the broadest network of liquid tank storage across Australia and New Zealand



Improving our oilseed crush capacity

GrainCorp is a leading oilseed crusher and refiner in Australia. We produce a range of canola oils and canola meal for domestic and international customers, which are used in a variety of Human Nutrition, Animal Nutrition and Agri-energy applications.

During FY23 we implemented a range of initiatives to improve efficiencies at our sites at Pinjarra (Western Australia) and Numurkah (Victoria) to lift our annual crush capacity to over 500kt.

We are integrating advanced analytics throughout our systems and facilities to drive further optimisation across our asset base.

GrainCorp Nutrition and Energy

During FY23, one of our key strategic priority programs was the integration of GrainCorp's food, feed and fuel platforms to drive efficiencies and enhance customer experience.

This change allows us to optimise our whole value chain by maximising asset utilisation and creating a strong foundation for scalability and growth.

From FY24, our financial results will reflect this change by integrating Feeds, Fats and Oils with our Processing business. Our new reporting segments will be *Agribusiness*, which consists of ECA and International, and *GrainCorp Nutrition and Energy* (GNE), comprising of Human Nutrition, Animal Nutrition and Agri-energy.

Macro trends

Global macro trends are changing our world and having profound implications on Food and Agriculture.

Population growth/changing demographics

Description/implications

Global population growth is driving increased demand for food.

Emerging economies, particularly in Asia, are driving shifts in food consumption – with a focus on health, provenance, sustainability, and ethics.

How we are positioned

GrainCorp is a leading bulk handler of grain across ECA, with extensive supply chain infrastructure, grower relationships, and a global network of offices.

Australia has a geographical advantage delivering grain to Asia and a strong reputation for clean, green and safe products.

Pin and Peel continues to grow

Pin and Peel is our tailored brand of natural and sustainably produced colours and flavours, dairy and PHO-free oils, such as coconut oil and non-GM Australian canola oil, specifically produced for southeast Asian markets.

Inputs to the products are accumulated through our value chain to create bakery, retail spreads and industrial fats/oils products.

Our brand continued to grow in FY23, with product ideation and development of blends specifically tailored by our technical sales team to suit the needs of customers in Indonesia, Thailand, Vietnam and Korea.

More information can be found here

Climate

Description/implications

Climate change is causing more extreme weather events, greater seasonal variability, and challenges to the health of ecosystems.

Agriculture is a large contributor to greenhouse gas emissions, predominantly through the emission of methane from cattle and on-farm emissions from farm inputs, and will play an important role in global decarbonisation

How we are positioned

We are enhancing GrainCorp's environmental performance and working with stakeholders to address Scope 3 emissions.

We have taken steps to mitigate the impact of weather variability through: a more agile network, variabilisation of costs, and the Crop Production Contract.

We are also well positioned to play a role in decarbonisation through our core and growth initiatives.

Reducing environmental impacts across our value chain

GrainCorp partners with upstream and downstream customers in an effort to reduce emissions across the entire value chain.

In March 2023 the Australian Government awarded GrainCorp funding to support large-scale dairy and beef grazing trials of low emission feed supplements.

The grant supports the agribusiness' large-scale trials to test methane emissions reduction and productivity impacts from sustainable feed solutions including Asparagopsis seaweed supplements, for livestock.

More information can be found here

Disrupted global supply chains

Description/implications

Geopolitical events and ongoing disruptions following the pandemic are impacting trade flows and manufacturing plants, infrastructure and transport networks.

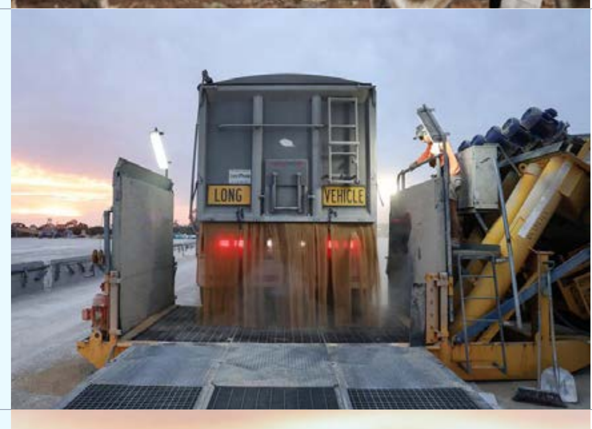
With ongoing geopolitical uncertainty, this has highlighted the importance of supply chain responsiveness and resilience.

How we are positioned

Through end-to-end operation of our ECA supply chain, GrainCorp is able to efficiently move grain from producer to end customer.

We have invested in our network to improve the efficiency of our grain receival services.

We are also diversifying our origination beyond ECA, to support year-round supply to our customers.



Improving grower experience

We recognise the important role of our network of up-country receival sites and port assets in the grains supply chain, and we are working to ensure our sites are optimised to provide a positive experience for growers.

In FY23, we added more bunker storage space, extra mobile equipment and rail loading capacity, and continued the important maintenance of our assets to improve the in-loading and out-loading capabilities onsite.

As a result, truck turnaround times have reduced by 7.5 per cent across the network, to an average of 43 minutes.

More information can be found here

Technology/digital acceleration

Description/implications

Technological innovations have shaped food and agriculture over time, and this is expected to continue in the future.

Technological advancements in robotics, remote sensing and machine learning, as well as bioscience, farming techniques, and food innovation and processing, are driving disruption across the global food supply chain.

How we are positioned

Technological advancement brings opportunities for GrainCorp to progress its digital capability, including our *CropConnect* platform, which connects thousands of growers, customers and buyers.

Through our corporate venture capital fund, GrainCorp Ventures, we are also investing in AgTech start-ups, supporting businesses that are positively affecting the agricultural supply chain.

Investing in Emerging Technology

GrainCorp has committed to investing $30m in emerging and innovative technologies through our venture capital fund, GrainCorp Ventures.

We invest across target areas including analytics and optimisation, smart supply chains, biotechnology, and sustainability/circular economy.

In FY23 we expanded our portfolio to include Zetifi, ZoomAgri and Loam in addition to our existing investments in FutureFeed and Hone.

More information can be found here

Our strategy

GrainCorp's priorities are to lift return on invested capital and drive shareholder value.

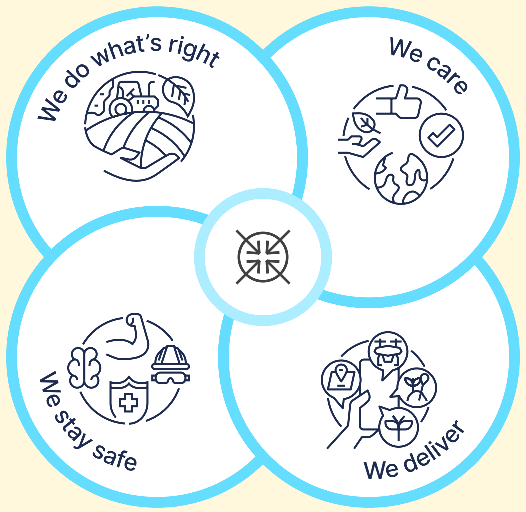
Our Vision

Lead sustainable and innovative agriculture through another century of growth.

Our Purpose

Proudly connect with customers and rural communities to deliver value through innovation and expertise.

Our Values



Strategic priorities

Strengthen the core

Improving the strength of our underlying business; lifting returns from our supply chain and processing assets; and leveraging the deep capabilities across our organisation.

Targeted growth opportunities

Identifying and entering adjacent markets where GrainCorp has a strong right to win. Seeking new opportunities and new revenue streams, with a focus on sustainability and other macro trends impacting food and agriculture.

Key enablers

Talented and engaged people

High-performance, inclusive culture, where our people are supported to reach their full potential.

Customer focus

Placing our growers and customers at the centre of everything we do.

Leading operations

Operating our assets safely and efficiently, with a focus on continuous improvement.

Sustainability

Embedding sustainability across our organisation, in both our existing business and growth initiatives.

Innovation

Seeking to create sustainable value for our industry and supply chain partners through ongoing innovation.

Financial discipline

Disciplined approach to capital management; with a focus on improving return on invested capital (ROIC) and shareholder value.

Strategy in action

- Diversifying port throughput – growing bulk materials program
- Improving asset utilisation – ports and processing facilities, record oilseed tonnes crushed
- Integration of Nutrition and Energy to drive efficiency and enhance customer experience
- Commencement of business transformation to modernise systems for increased agility and reduced complexity
- Strong ROIC of 18.6% in FY23

- $12m + Venture capital deployed – investments in Hone, Loam, Zetifi and ZoomAgri
- Increasing renewable fuel feedstock capacity and capability
- Growing our Animal Nutrition business
- Launched Grower Panels – focus groups to test ideas and seek feedback from growers
- Plant-based protein research partnerships

Our progress

Key FY23 sustainability achievements

Our Environment

ISCC-EU accredited supply chain

890kmt
of ISCC EU certified grain exported

–11%
emissions per tonne of production across GrainCorp's processing sites

Committed to setting **SBTi target** for Scope 1, 2, and 3 emissions reduction

Completed a pilot study on sustainable practices within Australian agriculture in partnership with growers and a key customer.

Our Integrity

Zero product recalls

Commitment to No-Deforestation by the end of 2025 across primary deforestation linked commodities

Additional working group, dedicated to **sustainable agriculture and nature,** developed

Our People

8.3%
gender pay gap (closed a further 1.5%)

>140
Community groups supported via Community Foundation

Conditional endorsement of **'Innovate' level RAP received*** from Reconciliation Australia

* Conditional endorsement received post 30 September.

Our sustainability strategy

We continue to make significant progress on a number of environmental, social and governance (ESG) initiatives, guided by our three-year sustainability roadmap which we introduced in FY21.

Last year we established a Board Sustainability Committee, and in FY23, we further built on this concept of accountability by appointing members of our Executive Leadership Team to act as sponsors of the workstreams identified as the most material to the ongoing sustainability of our business.

During the year we refreshed our materiality assessment which included increased prioritisation of *Sustainable agriculture and nature* as a material topic to GrainCorp and its stakeholders.

We have also committed to supporting the Science Based Targets initiative (SBTi)[1], by developing near-and long-term targets for Scope 1, 2, and 3 emissions that align to the 2015 Paris Agreement.

The pursuit of sustainable outcomes will continue to be a key consideration influencing our strategy of investing in our core business and targeted growth opportunities.

Global frameworks*: TCFD, GRI, SASB

Stakeholder engagement
- Identify actual and potential impacts
- Assess the significance of impacts
- Prioritise focus on the most significant impacts

Material topics

	Topic	Description
Our Environment	Environment	The environmental impacts of GrainCorp's own operations across water, waste, energy and Scope 1 and 2 emissions.
	Climate	GrainCorp's exposure to climate change risks and the steps being taken to reduce Scope 3 emissions, mitigate risks, pursue opportunities and adapt to the impacts of climate change.
	Sustainable agriculture and nature	GrainCorp's approach to building capability and strategy around biodiversity and natural capital.
Our Integrity	Responsible sourcing	The incorporation of social and environmental considerations into GrainCorp's supply chain management practices.
	Human rights and corporate governance	Protection of human rights across our value chain.
	Food safety and consumer confidence	Supporting food security by upholding best practice food safety standards and minimising food loss to ensure the supply of ingredients and essential commodities.
Our People	Community	Contributing to the economic, environmental, and social wellbeing of the communities local to GrainCorp's operations.
	Workplace health and safety	The safety, health, and wellbeing of employees, contractors, seasonal workers, and visitors to GrainCorp sites.
	People	Support for employee engagement, development, diversity, and non-discrimination in GrainCorp's operations.

Related SDGs

* GrainCorp's approach is positioned for future alignment with the recently released International Sustainability Standards Board (ISSB) standards.

1. SBTi is a partnership between the Carbon Disclosure Project, the United Nations Global Compact, World Resources Institute, and the Worldwide Fund for Nature, and helps define best practice in emissions reductions and net-zero targets in line with climate science.

Sustainability Roadmap

In FY21 we set out a three-year rolling roadmap, that summarises key actions across our priority sustainability topics, and details a comprehensive and systematic approach to sustainability.

Our FY22 report included a range of commitments for 2023 that focused on embedding sustainability considerations into our business processes. The next phase of our roadmap is focused on building upon these foundations and improving the scope and integrity of sustainability metrics to develop ambitious and realistic targets that we can take action to deliver.

✓ **Achieved** – Action complete ◕ **Partially achieved** – Action behind schedule

→ **Ongoing** – Action set with the intention to be achieved over one or more reporting cycles

	2023		2024	2025 and beyond
Stakeholder engagement	Identifying, establishing and/or enhancing relationships with additional external experts in specific areas of sustainability Continue internal and external stakeholder engagement program	✓ ✓	Enhance the voice of customer in our sustainability strategy	Refresh formal materiality process to capture shifts in expectations relative to an evolving sustainability landscape
Climate	Effective disclosure of risk management process and outcomes in the Annual Report Develop emission reduction roadmaps for Scope 1, 2 and 3 to support rapid decarbonisation by 2030 Review the Science Based Targets initiative (SBTi) Forest, Land and Agriculture Guidance and determine applicability to GrainCorp Undertake climate change scenario analysis in accordance with the TCFD framework and integrate into annual disclosure Refine Scope 3 inventory methodologies to improve accuracy Continue integration of climate risks and opportunities into GrainCorp's strategy Continue collecting all relevant data to inform action plan that supports improvement in 2050 net zero commitment	✓ → ✓ ◕ → → →	Submit emission reduction targets and roadmaps to SBTi Complete project to implement TCFD recommendations	Deliver emission reductions in line with approved SBTi targets
Environment	Update environmental management system standards to include performance objectives pertaining to energy, water, and waste Review energy, water, and waste data currently collected and identify trends, gaps and opportunities Develop monthly environment performance scorecard Embed Energy Management System at large energy using sites Incorporate consideration of energy and GHG emissions into capital investment processes	✓ ✓ ✓ ✓ →	Divert more than 95% of Dust and Damaged Grain to beneficial reuse Complete a lifecycle assessment of our recycled tarpaulins program Complete Pinch Analysis at Numurkah Conduct energy audit at Port Kembla Embed environment dashboard into groupwide operational performance monitoring Submit Scope 1 and 2 emission reduction targets and roadmaps to SBTi	Deliver scope 1 and 2 emission reductions in line with approved SBTi targets Zero tarps to landfill by 2027 based on application and optimisation of findings of lifecycle assessment
Responsible sourcing	Continue our comprehensive assessment of all procured goods and services to identify those deemed high-risk and develop appropriate sourcing policies and protocols Conduct due diligence activities on all high-risk suppliers Evaluate supply chain deforestation and biodiversity risks to develop an achievable time-bound goal and roadmap Expand scope of ESG supplier risk dashboard Commence implementation of new Supplier Code	→ → ✓ ✓ →	Implement a revised supplier code of conduct Release an updated grievance mechanism Embed tracking of supplier ESG performance in internal governance structures Execute implementation plan for No-Deforestation Commitment Continue Sedex Members Ethical Trade Audits (SMETA audits) at processing sites and expand Sedex Self-Assessment Questionnaires (SAQs) to include additional GrainCorp sites	Meeting the milestones of our No-Deforestation Commitment Enhancing supplier due diligence processes in line with evolving standard for best practice in human rights Collaborate with customers to deliver on the ground projects that improve social and environmental outcomes
Human rights	Conduct human rights risk assessment in GrainCorp's supply chain Formalise processes to better manage identified human rights risks in GrainCorp's operations Formalise process for receiving and managing human rights related grievances Draw on external human rights expertise relevant to GrainCorp and the agricultural industry Incorporate best practice disclosures into Modern Slavery Statement in line with Australian Border Force recommendations	✓ → → ✓ →		
Sustainable agriculture and nature*	Partner with growers to conduct pilot study into sustainable agriculture practices in Australia Support collaboration across the Australian agriculture value chain on sustainable agriculture and nature topics Proactively engage with key Government bodies on sustainable agriculture topics	✓ ✓ ✓	Support cropping producers to build understanding, measurement, and adoption of sustainable practices Expand focus on supporting dairy, livestock and mixed farmers to deliver sustainability outcomes Develop sustainability related commercial market opportunities for Australian agriculture Engage with end customers in the Human and Animal Nutrition sectors to better connect their needs to the capabilities of our producers Continue to actively partner with industry and government bodies to further develop sustainable agriculture initiatives Assess the recommendations of the TNFD and applicability to GrainCorp.	Deliver supply chain initiatives to increase proportion of sustainably sourced grain Support development of methodologies that measure and enhance natural capital in Australian cropping

* This topic has been newly included in GrainCorp's sustainability roadmap in FY23. The FY23 priority actions section reflects the key achievements made in this area over the year.

Board of Directors

Clockwise from left: Clive Stiff, Peter Richards, Robert Spurway, Nicki Anderson, Daniel Mangelsdorf and Kathy Grigg.

Peter Richards

BCom
Chairman and Independent Non-executive Director

Peter Richards joined the GrainCorp Board in November 2015 and was appointed Chairman in March 2020. Mr Richards is a member of the Audit and Risk Committee, the Remuneration and Nominations Committee and the Sustainability Committee.

Mr Richards is currently Chairman of EMECO Holdings Limited and Chairman of Spenda Limited (formerly Cirralto Limited). He was previously Chairman of Elmore Limited.

Mr Richards has over 40 years of business experience with global companies, having worked in operational and business development roles in Australia, the United Kingdom and the United States.

He has extensive experience acting as Chairman and Director on public company boards.

Robert Spurway

BE (Chemical and Materials)
Managing Director & CEO

Robert Spurway joined the Board as Managing Director & CEO in March 2020. He was previously Chief Operating Officer, Global Operations for Fonterra Co-operative Group and prior to this, Mr Spurway held operational roles with Fonterra including General Manager South Island Operations and Acting Director Operations & Logistics.

Mr Spurway has extensive leadership and operations experience and has held executive and senior operational roles across Australia and New Zealand. Mr Spurway held CEO positions in Australia between 2008 and 2011, initially as MD & CEO of Mrs Crocket's Kitchen, a salad and vegetable supplier, to prepare the business for sale, and then as CEO of Salad Fresh, a supplier of prepared salads. Prior to this, Mr Spurway held senior operational roles with Mrs Crocket's Kitchen and Goodman Fielder in Queensland, South Australia and the Northern Territory, and Northland Dairy Company (now Fonterra) in New Zealand.

Nicki Anderson

BBus EMBA FAICD
Independent Non-executive Director

Nicki Anderson joined the Board in October 2021. Ms Anderson is Chair of the Remuneration and Nominations Committee and a member of the Safety, Health and Environment Committee.

Ms Anderson is currently Deputy Chair of the Australian Made Campaign Limited, and Non-executive Director of Collins Foods Limited, Craig Mostyn Group, Prostate Cancer Foundation of Australia, and the Fred Hollows Foundation. Ms Anderson was previously a Non-executive Director of ToysRUs ANZ and Select Harvests Limited, as well as the former Chair of the Monash University Advisory Board for the marketing faculty.

Ms Anderson has extensive experience in strategy, sales, marketing, customer experience and innovation within the food, beverage and consumer goods industry in both Australia and internationally, including senior leadership roles with Coca Cola Amatil, Cadbury Schweppes, McCain, Nestle and Kraft.

Kathy Grigg AM

BEC, FACID, FCPA
Independent Non-executive Director

Kathy Grigg joined the Board in December 2019. Ms Grigg is Chair of the Audit and Risk Committee and a member of the Remuneration and Nominations Committee and the Sustainability Committee.

Ms Grigg is currently a Non-executive Director of Agricultural Innovation Australia Limited.

Ms Grigg's previous directorships include Director of SPSL Limited (formerly Suncorp Portfolio Services Ltd), Director of Australian Pork Limited, and Director and Chair of the Audit Committee of Navy Health Limited. Ms Grigg was formerly a member of the Audit Committee of the Australian Competition and Consumer Commission and a Council member and Deputy Chancellor of Deakin University.

Ms Grigg has an extensive background in finance and operational management, including as Finance Director of the Australian Wool Research and Promotion Corporation and leadership roles in agriculture sector organisations.

Daniel Mangelsdorf

BAgEc(Hons), FAICD
Independent Non-executive Director

Dan Mangelsdorf was first elected as an independent Director of GrainCorp Limited in 2008, after having served an earlier term on the Board as a major shareholder representative. Mr Mangelsdorf is Chair of the Safety, Health and Environment Committee and a member of the Audit and Risk Committee.

Mr Mangelsdorf is also the Non-executive Chairman of Warakirri Agricultural Trusts, and a Non-executive Director of Warakirri Asset Management Pty Ltd (since 2017) and Warrakirri Holdings Pty Ltd (since 2017).

Mr Mangelsdorf owns and operates farming interests in NSW, and is an experienced public company director with agricultural, supply chain, international trade and risk management expertise.

Clive Stiff

MScM, FAICD
Independent Non-executive Director

Clive Stiff joined the Board in October 2021. Mr Stiff is Chair of the Sustainability Committee and a member of the Audit and Risk Committee and the Safety, Health and Environment Committee.

Mr Stiff is currently a Non-executive Director of Cleanaway Waste Management Limited, a member of the Quantium Advisory Board and a member of the Genpact Australian Advisory Council. He is an external advisor to Bain & Company, and a member of the University of New South Wales Business School Advisory Council. Mr Stiff was formerly a Non-Executive Director of Australian Pharmaceutical Industries Limited, Chair of the Australian Food and Grocery Council, Chair of T2 Tea, and Non-executive Director of Foodbank NSW and ACT.

Mr Stiff has over 35-years of experience in the fast moving consumer goods industry. He was formerly CEO of Unilever Australia & New Zealand, CEO of Procter & Gamble France, and previously held other senior executive roles with the company internationally, as well as locally with Goodman Fielder.

Executive Leadership Team

Clockwise from left: Jesse Scott, Cate Hathaway, Klaus Pamminger, Robert Spurway, Ian Morrison and Stephanie Belton.

Robert Spurway
Managing Director & CEO

Refer to 'Board of Directors' section.

Stephanie Belton
Chief Corporate Affairs Officer and Group General Counsel

Stephanie Belton was appointed Group General Counsel and Company Secretary in February 2019. Ms Belton also leads GrainCorp's Corporate Affairs and Sustainability and ESG functions.

Ms Belton previously held General Counsel and senior management roles at SurfStitch Group Limited, Helloworld Limited, Qantas Airways Limited, and The Peninsular and Oriental Steam Navigation Company.

Prior to Ms Belton's corporate roles, she worked in private practice at Linklaters in London.

Ms Belton holds a Bachelor of Laws (Hons) from the University of Strathclyde (Glasgow) and a Master of Business Administration from the University of Oxford. Ms Belton is admitted to practice in New South Wales and Scotland. Ms Belton is a member of the Australian Institute of Company Directors (AICD).

Cate Hathaway
Chief People and Transformation Officer

Cate Hathaway joined GrainCorp in July 2018 and was appointed Chief People & Transformation Officer in April 2019 with responsibility for transformational change, people, safety, environment and technology.

Ms Hathaway has previously held senior executive positions in the banking, building resources and insurance industries. She is a graduate member of AICD, fellow of the Australian Human Resources Institute (AHRI) and a member of the Western Sydney University School of Business External Advisory Committee.

Ms Hathaway holds a Bachelor of Commerce from the University of Western Sydney and an Executive Master of Business.

Ian Morrison
Chief Financial Officer

Ian Morrison was appointed Chief Financial Officer in July 2020. As Chief Financial Officer, Mr Morrison leads GrainCorp's finance and accounting, tax, treasury, risk management, M&A, investor relations and shared services functions.

Mr Morrison has previously held a number of senior finance roles across GrainCorp including CFO of the Grains & Oils divisions and Group Financial Controller. Prior to joining GrainCorp in 2011, he worked with KPMG in the United Kingdom and Australia. Mr Morrison holds a Bachelor of Accounting and Finance (Hons) from the University of Glasgow and is a Chartered Accountant. He is a graduate member of AICD.

Klaus Pamminger
Chief Operating Officer

Klaus Pamminger joined GrainCorp in 2007 and was appointed Chief Operating Officer in April 2019, with responsibilities for all commercial activities including trading and marketing globally as well as GrainCorp's Agribusiness and Processing operations. Prior to this, he was Group General Manager – Grains, responsible for the Grains Operations and Trading businesses in Australia, Singapore, China, Europe and Canada.

Prior to GrainCorp, Mr Pamminger worked for several multinational agribusiness companies in Australia and North America.

Mr Pamminger is a Director of GrainsConnect Canada and Chair of the Board of Directors for Fraser Grain Terminal in Canada.

Mr Pamminger holds a Bachelor of Science (Hons) from the University of Queensland with a major in Rural Management and Marketing. He is a member of the Australian Institute of Company Directors (AICD).

Jesse Scott
Chief Innovation and Growth Officer

Jesse Scott was appointed Chief Innovation and Growth Officer at GrainCorp in January 2021 and is responsible for the company's strategic growth and innovation projects.

Prior to joining GrainCorp, Mr Scott worked with McKinsey & Company for 13 years across various roles in Asia, the Americas and Europe, focusing on strategy and transformation in several primary industries including manufacturing, transportation & logistics, mining and energy.

Mr Scott is a Director of Hone Corporation and a Director of FutureFeed.

He holds a Master of Business Administration from INSEAD in Fontainebleu, France and a Bachelor of Arts from Columbia University in New York, USA.

Directors' Report

The following individuals were Directors of GrainCorp during the financial year 2023 and up to the date of this report:

- P I Richards (Chairman)
- R J Spurway (Managing Director & CEO)
- N E Anderson
- K M Grigg
- D J Mangelsdorf
- C M Stiff

Particulars of Directors' qualifications, experience and special responsibilities are included on pages 24 to 25.

Details of Directors' interests in shares and options of GrainCorp are set out in Section 6 of the Remuneration Report.

Group Company Secretary

Stephanie Belton LLB, MBA
Refer to 'Executive Leadership Team' section.

Annerly Squires BCom, LLB
Senior Group Legal Counsel and Company Secretary.

Ms Annerly Squires joined GrainCorp in November 2018 and is responsible for the Group's Company Secretarial function. Prior to commencing at GrainCorp Ms Squires acted as Deputy Company Secretary at Pendal Group Limited and as Senior Legal Counsel and Assistant Company Secretary at Hills Limited. Ms Squires is admitted to practice in New South Wales.

Board Committee Membership

The GrainCorp Board may from time to time establish and delegate powers to committees, in accordance with the GrainCorp Constitution, to assist in the discharge of its responsibilities.

The GrainCorp Board Committees comprise the Audit and Risk Committee, the Remuneration and Nominations Committee, the Safety, Health and Environment Committee and the Sustainability Committee.

Membership of each of GrainCorp's current Committees of Directors is set out below:

Audit and Risk Committee	• K M Grigg (Chair) • D J Mangelsdorf • P I Richards • C M Stiff
Remuneration and Nominations Committee	• N E Anderson (Chair) • K M Grigg • P I Richards
Safety, Health and Environment Committee	• D J Mangelsdorf (Chair) • N E Anderson • C M Stiff
Sustainability Committee	• C M Stiff (Chair) • K M Grigg • P I Richards

Board and Board Committee Meetings

The number of Directors' meetings and Committee meetings, and the number of meetings attended by each Director who was a member of the Board and the relevant Committee, during the financial year were:

	Board		Audit and Risk Committee		Remuneration and Nominations Committee		Safety, Health and Environment Committee		Sustainability Committee	
	Meetings held	Number attended	Meetings held	Number attended	Meetings held	Number attended	Meetings held	Number attended	Meetings held	Number attended
P I Richards	10	10	4	4	3	3	–	–	3	3
R J Spurway*	10	10	4	4	3	3	4	4	3	3
N E Anderson	10	10	–	–	3	3	4	4	–	–
K M Grigg	10	10	4	4	3	3	–	–	3	3
D J Mangelsdorf	10	10	4	4	–	–	4	4	–	–
C M Stiff	10	10	4	4	–	–	4	4	3	3

* The Managing Director & CEO is not a member of Board Committees but attended all meetings during the financial year by invitation.

Group Financial Summary

Key Results ($M)	2019	2020	2021	2022	2023
Revenue	4,849.7	4,287.2	5,491.5	7,868.3	8,229.1
Underlying EBITDA	68.5	186.0	330.8	703.4	565.3
Underlying EBIT	(73.9)	44.2	223.7	586.1	429.2
Net profit/(loss) after tax	(113.0)	343.3	139.3	380.4	249.7
Dividend (cents per share)	–	7.0	18.0	54.0	54.0

Financial Position	2019	2020	2021	2022	2023
Total assets ($M)	3,875.6	2,002.1	2,697.5	3,345.0	3,418.8
Total equity ($M)	1,836.3	1,095.3	1,205.1	1,452.7	1,591.8
Net assets per ordinary share ($)	8.02	4.79	5.27	6.52	7.10
Net debt/(net debt + equity) (%)	38.2	17.9	33.2	27.1	19.0
Core debt/(core debt + equity) (%)	30.4	3.3	0.1	(13.9)	(28.1)

Shareholder Returns	2019	2020	2021	2022	2023
Basic earnings/(loss) per ordinary share (cents)	(49.4)	150.0	61.0	167.7	111.7
Return on equity (ROE) (%)	(4.4)	0.9	12.0	27.0	15.8
Return on invested capital (ROIC) (%)	(2.2)	1.6	11.1	27.9	18.6
Dividend per ordinary share (cents)	–	7.0	18.0	54.0	54.0
Dividend yield per ordinary share (%)	–	1.9	2.8	6.9	7.7%

Business Drivers	2019	2020	2021	2022	2023
Agribusiness (mmt)					
Grain carry-in	2.3	1.5	0.7	4.3	4.9
Total ECA grain receivals (country + direct-to-port)	3.1	4.2	16.5	16.3	13.9
Imports	2.3	1.4	–	–	–
ECA grain exports handled	0.3	1.3	7.9	9.2	8.3
Domestic outload	5.8	5.1	5.0	6.4	6.4
Grain carry-out	1.5	0.7	4.3	4.9	3.9
ECA bulk materials non-grain handled	2.9	2.1	2.7	2.5	3.3
Total grain sales	7.7	7.8	10.1	9.6	9.0
Processing (mmt)					
Oilseed crush volumes	0.4	0.4	0.5	0.5	0.5
Foods volumes	0.2	0.2	0.2	0.2	0.2

Operating and Financial Review

Financial performance

GrainCorp's EBITDA for FY23 was $565 million, compared to $703 million in FY22. Revenue was $8,229 million, an increase from last year (FY22: $7,868 million)

Net Profit After Tax was $250 million, down from $380 million in FY22, with basic earnings per share of 111.7 cents. Return on Invested Capital (ROIC) decreased to 18.6% (from 27.9%).

Included in the FY23 result was a cash outflow of $76 million relating to the Crop Production Contract. This comprised the maximum annual production payment of $70 million plus $6 million annual premium and was payable due to the size of the 2022/23 ECA winter crop (32.0mmt) exceeding the upper threshold under the terms of the contract. There was also a $6.5 million unrealised loss on the fair value of the Crop Production Contract recognised in 'Other Income'.

Depreciation & amortisation expense of $117 million is in line with last year and includes leased assets and investment in mobile equipment and tarpaulins, which have relatively short asset lives. A decline in New Zealand market conditions and asset performance led to a $19m impairment charge at the East Tamaki site.

The net interest cost in FY23 was $59 million, up from $36 million last year, due to higher interest rates.

The reported tax expense was $121 million, down from $170 million last year, reflecting the lower profit for the Group. The effective tax rate was 30.7%. For more information on GrainCorp's approach to tax transparent reporting, please see GrainCorp's Voluntary Tax Transparency Code, available at https://www.graincorp.com.au/corporate-governance/.

Financial position

The Group's priority is to retain strong credit metrics and target minimal core debt. At 30 September 2023, GrainCorp was in a strong financial position, with ample liquidity buffer to withstand a wide range of economic and market scenarios.

GrainCorp's capital consists of core debt/cash, commodity inventory funding and equity. Core debt/cash is calculated as borrowings, net of cash assets and commodity inventory. The core debt gearing ratio is calculated as core debt divided by core debt plus equity.

As at 30 September 2023, GrainCorp had core cash of $349 million, compared to core cash of $177 million at 30 September 2022.

During the year, GrainCorp held an 8.5% interest in United Malt Group (ASX: UMG). UMG was acquired by Malteries Soufflet via scheme of arrangement in October 2023 for consideration of $5.00 per UMG Share. GrainCorp's consideration, valued at $127m before tax, was received by GrainCorp on 15 November 2023.

Net debt primarily consists of funding for commodity inventory and the net debt gearing ratio is calculated as net debt divided by net debt plus equity. Net debt fluctuates in line with seasonal working capital requirements.

As at 30 September 2023, net debt was $373 million, down from $540 million at 30 September 2022, and net debt gearing was 19%, down from 27% in FY22.

Financial liquidity was $1,328 million at 30 September 2023, comprising $719 million committed undrawn bank debt facilities and $609 million cash.

Our Geelong port exported 2.5 million tonnes of grain to more than 20 destinations.

Financial Performance

	Year ended 30 September	
Income statement	2023 $M	2022 $M
EBITDA		
Business segment EBITDA		
Agribusiness	401	624
Processing	153	127
Corporate (excluding UMG)	(34)	(24)
UMG[1]	46	(23)
Group EBITDA	**565**	**703**
Depreciation & Amortisation	(117)	(117)
Impairment	(19)	–
Net interest cost	(59)	(36)
Tax expense	(121)	(170)
Group NPAT	**250**	**380**

1. Comprises movement in share price + dividends received.

Capital Management Policy

GrainCorp is focused on strengthening return on invested capital through-the-cycle and applies a disciplined approach to capital management, balancing shareholder returns and long-term profitable growth.

GrainCorp's policy is to distribute 50–70% of underlying net profit after tax (NPAT) to shareholders, on a through-the-cycle basis, in the form of dividends. Surplus cash flow is considered for investment in growth projects, providing they meet strategic and financial return requirements, and/or returned to shareholders.

Dividends and capital management

During FY23, GrainCorp paid the following dividends:

- a fully franked final ordinary dividend for FY22 of 30cps, comprising a 14cps ordinary dividend and 16cps special dividend; and
- a fully franked interim dividend for FY23 of 24cps, comprising a 14cps ordinary dividend and 10cps special dividend.

The Board of Directors has approved payment of a final dividend for FY23 of 30cps, fully franked, comprising an ordinary dividend of 14cps and a special dividend of 16cps. Relevant dates for the final dividend are:

- Ex-dividend date: 29 November 2023
- Record date: 30 November 2023
- Payment date: 14 December 2023

On-market share buy-back

The Board of Directors has approved an on-market share buy-back of up to $50 million. The share buy-back is expected to commence in the first half of 2024.

Business segment performance – Agribusiness

Our high-efficiency Yamala site in Central Queensland is a fast link to GrainCorp's Gladstone port.

EBITDA

$401m

2023	$401m
2022	$624m

Revenue

2023	$7,803m
2022	$7,559m

EBIT

2023	$314m
2022	$538m

Capex and investments

2023	$51m
2022	$70m

Key operating metrics

Million metric tonnes (mmt)	FY23	FY22
ECA production (total winter + sorghum)[1]	32.0	33.9
Carry-in	4.9	4.3
Receivals[2]	13.9	16.3
Domestic outload	6.4	6.4
Exports[3]	8.3	9.2
Carry-out	3.9	4.9
Total Grain handled	**37.4**	**41.1**
Contracted grain sales – ECA (mmt)	5.3	6.1
Contracted grain sales – International (mmt)	3.7	3.5
Bulk materials (non-grain) handled (mmt)[4]	3.3	2.5
Feeds, Fats & Oils volumes (mmt)	0.8	0.7
Auscol collection volumes (kmt)	20.1	20.1

1. ABARES' total ECA winter crop + sorghum estimate.
2. Grain receivals comprises total tonnes received up-country + direct-to-port.
3. Grain exports include bulk + container exports.
4. Bulk materials (non-grain) includes sand, cement, sugar, woodchips, fertiliser and other materials.

East Cost Australia (ECA)

GrainCorp's ECA business is an integrated grain storage and handling network spread across the states of Queensland, New South Wales and Victoria, comprising over 160 regional receival sites and seven bulk port terminals. We work with more than ten thousand growers annually, servicing a range of domestic and international customers.

Principal activities involve purchasing, storing, transporting, and selling agricultural commodities while managing risk across the value chain. The main commodities we handle are wheat, barley, canola, chickpeas and sorghum. For transportation services, we either lease the road/rail assets or contract with third parties. Our port terminals are also leveraged to import/export bulk materials including woodchips, fertiliser, sand, sugar and cement.

GrainCorp is both an owner/marketer of commodities and a third-party service provider through our asset ownership. For the provision of services, GrainCorp charges fees at various stages of the supply chain, for receival, out-loading, storage, transport, blending, port booking and vessel loading. Where GrainCorp is marketing grain or oilseeds to a customer, we seek to capture a margin between prices paid to growers and prices received from customers. Derivatives are used to hedge both long and short positions. This risk management approach significantly reduces any direct exposure we face to prevailing commodity price fluctuations.

Revenue and profits in grain marketing are subject to variability in grain production, prices, the position taken and risk management processes.

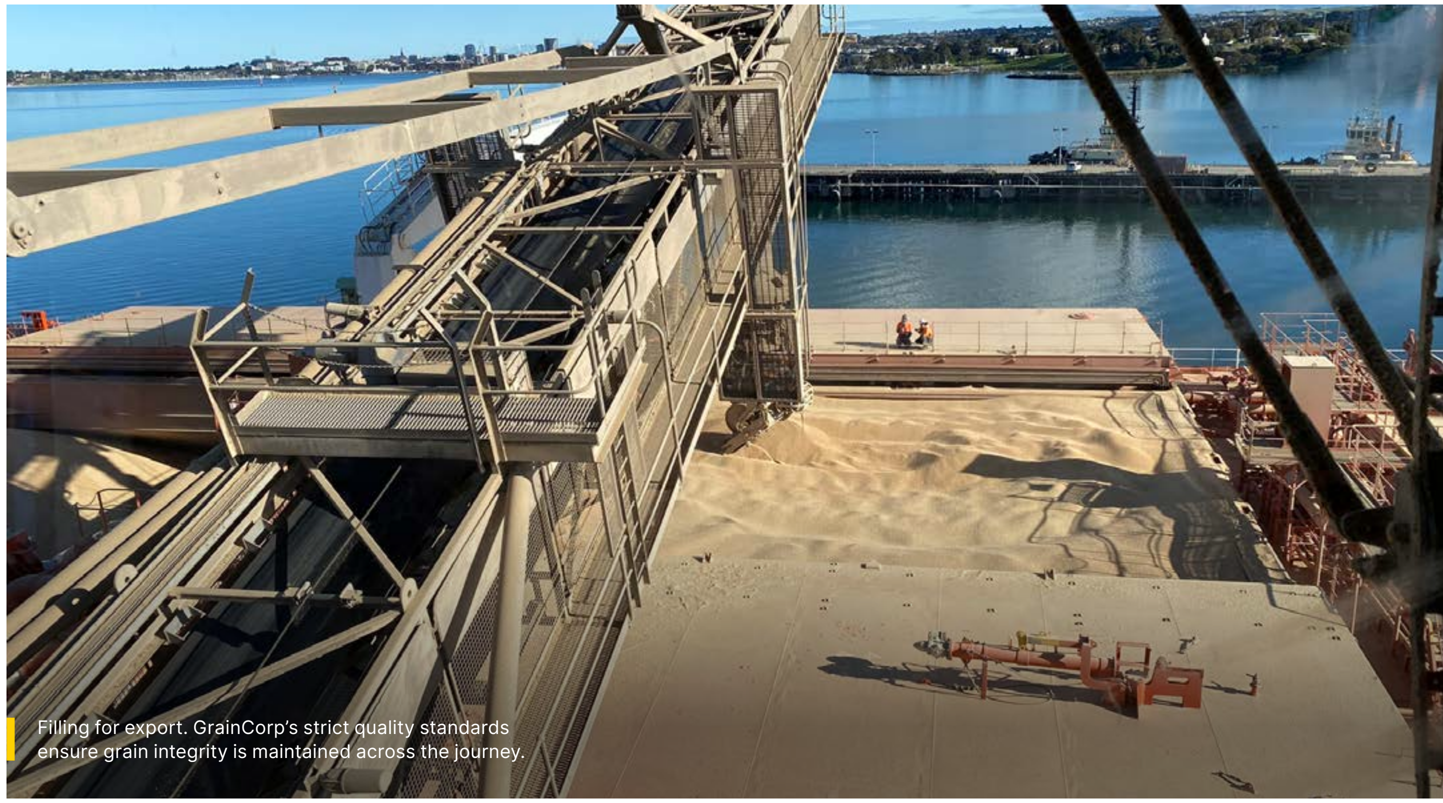
GrainCorp's ownership of high-quality supply chain infrastructure enables us to source reliable supply, to provide our customers with consistent quality, manage logistics in a cost and time efficient manner, and have coordinated access to storage facilities.

FY23 Performance

The ECA business capitalised on a third consecutive bumper ECA crop to deliver another exceptional result. Domestic outloads were the second highest on record as local demand remained resilient.

GrainCorp once again saw elevated global demand for Australian grain and oilseeds, particularly from Asian customers, influenced by northern hemisphere supply issues and disruptions in the Black Sea arising from the Ukraine conflict. This saw GrainCorp deliver its second largest export year of the past decade.

The benefits of GrainCorp's network flexibility were demonstrated during late-2022 by a reduction in the overall impact of the NSW floods and the ability to maintain the majority of customer delivery schedules. Our customers reported a significant uplift in GrainCorp's net promoter score from +2 in 2022 to +22 in 2023.



Filling for export. GrainCorp's strict quality standards ensure grain integrity is maintained across the journey.

Business segment performance – Agribusiness

International

GrainCorp's International business originates grain and oilseeds from regions outside of ECA – i.e. Western Australia, South America, Ukraine, Canada and United Kingdom – and connects these commodities to customers in a broad range of countries and end markets. This multi-origin strategy achieves a core objective for the business of diversity of supply, which enables GrainCorp to service its customers reliably on a year-round basis.

The International business utilises GrainCorp supply chains where possible, and in some jurisdictions it utilises third-party storage, handling and transportation infrastructure to connect grain to customers.

In Canada, GrainCorp has a 50–50 JV with Zen-Noh Grain Corporation, GrainsConnect Canada (GCC), which owns supply chain assets connecting growers in the Prairies to international customers via the port of Vancouver. The JV's assets comprise four country grain elevators in Alberta and Saskatchewan and a port terminal in Vancouver, Fraser Grain Terminal, owned through a 50–50 JV between GCC and Parrish & Heimbecker.

GrainCorp's UK business, Saxon Agriculture, specialises in the trade, import and export of cereals, oilseeds and pulses and is a supplier of arable seeds and organic agriproducts in the UK.

FY23 Performance

The International business performed well in FY23, with strong export margins from Western Australia (WA) following another bumper WA crop.

Origination from Canada was impacted as the region recovers from drought, and origination from Ukraine remained adversely impacted by the conflict in Ukraine and subsequent trade disruptions.

GrainCorp delivered products to more than 50 countries, and in FY23 was the number one Australian exporter of cereals and feed grains to Asia, including China, Japan, Korea and Vietnam.

GrainsConnect Canada's high-speed Vegreville site in Alberta is one of four shipping directly to the FraserGrain Terminal in Vancouver.

Feeds, Fats & Oils

FFO comprises several businesses across Animal Nutrition and Agri-energy sectors in Australia and New Zealand.

In Australia, GrainCorp's Feeds business manufactures and supplies feed supplements to enhance farm productivity in beef cattle, sheep, dairy cattle and other domestic livestock. In New Zealand, it sources local and imported feeds/ingredients to offer a range of liquid, in-shed, bulk dairy and calf feeds.

The Australian business is often counter-cyclical to ECA, with demand increasing when ECA pasture and soil conditions are adversely impacted by dry weather.

GrainCorp's 'Fats & Oils' (Agri-energy) business involves the procurement, shipping, accreditation and value-added supply of tallow, vegetable oils and Used Cooking Oil (UCO). GrainCorp owns seven bulk liquid terminals in New Zealand, Australia and China, and has strategic long-term access across multiple other sites in Australia. GrainCorp's Auscol business also operates six UCO collection sites in Australia.

GrainCorp's Feeds businesses operate a network of liquid, dry blending and third-party commodity sites servicing animal nutrition requirements throughout New Zealand and Australia.

Customers in this segment include fuel producers/refiners, quick service restaurants, industrial businesses and food manufacturers.

FY23 Performance

Fats & Oils performed well in FY23, with strong execution and high global pricing for renewable fuel feedstocks. Feeds improved performance was due to strong demand for supplementary animal feed both in Australia due to drier conditions and NZ, driven by higher milk prices.

GrainCorp's science-based testing capabilities are applied to Human and Animal Nutrition, and the processing of feedstock for upcycling into renewable fuel.

Business segment performance – Processing

GrainCorp Foods' West Footscray site in Melbourne houses production, quality and product development functions.

Oilseeds Crush Volumes

496kmt

2023

2022 471kmt

Foods Volumes

221kmt

2023

2022 236kmt

Key financial metrics

	FY23	FY22
Revenue	1,076	1,025
EBITDA	153	127
EBIT	108	101
Capex and investments	15	11
Depreciation and amortisation	(26)	(26)
Impairment expense[1]	(19)	–
Share of Group EBITDA[2]	28%	17%

1. Decline in New Zealand market conditions and asset performance led to an impairment charge at the East Tamaki site.
2. Excluding Corporate EBITDA.

Oilseeds

GrainCorp's Oilseeds business sources Australian-grown canola seed which is crushed to produce canola meal and canola oil, providing valuable inputs into human and animal nutrition goods and are a key component of agri-energy products.

GrainCorp's oilseed products have several applications including cooking oils, spreads and shortenings, prepared foods, meal for dairy, poultry and livestock, and cosmetics and lubricants. Canola meal is a protein-rich by-product of oilseed crush which is used for animal nutrition.

A key driver of earnings for the Oilseeds business is the crush margin, which is an aggregation of the revenue received for the oil and meal outputs against the cost of the oilseed and the crushing process. The crush margin fluctuates depending on a range of factors, including the volume of Australian canola production (which impacts the cost of the oilseed), the volume of global production of canola and other oilseeds, and global and domestic demand for vegetable oils and canola meal.

FY23 Performance

The Oilseeds business produced record crush volumes in FY23, with operational efficiencies delivered at GrainCorp's crushing plants at Numurkah, VIC, and Pinjarra, WA.

Oilseed crush margins remained above average historical levels, driven by strong global demand for vegetable oils for a variety of nutrition and agri-energy applications. This was driven by weather events impacting key oilseed-growing regions, the Ukraine conflict disrupting supply of vegetable oils out of the Black Sea region, and mandates for the use of renewable fuel feedstocks in biofuel production.

Foods

GrainCorp Foods produces a range of Human Nutrition products for use in the manufacturing of edible oils, infant nutrition, bakery margarines, spreads and shortening at its processing facilities in Victoria and Auckland, New Zealand.

Customers range from multi-national and regional retail-branded food manufacturers to global quick service restaurants, family-owned local bakeries and hospitality outlets. GrainCorp's product range includes plant-based spreads, premium cooking oil, pastry margarine, and bulk deliveries of blended oils.

Over the past decade, Australian grown canola oil has become the oil of choice for many of GrainCorp's Foods customers, with the trend becoming more pronounced in recent years as certain customers chose to de-risk their exposure to overseas supply chains, switching from imported sunflower oil to locally produced canola oil.

FY23 Performance

Foods sales volumes were lower in FY23 compared to FY22. Notwithstanding the decline in overall volumes, demand for locally grown and refined vegetable oils remains high, partly driven by Black Sea supply disruptions arising from the Ukraine conflict and the weather-impacted Canadian canola crop.

A decline in market conditions in NZ and asset performance has led to an impairment charge of $19m within the Processing segment at the East Tamaki, New Zealand site. We have commenced a strategic review into our Foods NZ business.


Oil testing at our West Footscray site, Victoria.

FY24 Outlook

GrainCorp is well positioned for the new financial year, with a healthy balance sheet and pipeline of growth opportunities.

ABARES' forecasts an ECA winter crop of 20.8mmt for 2023/2024, with dry northern conditions offsetting favourable conditions in southern regions.

In ECA, supply in FY24 will be boosted by a high level of carry-out from FY23 (3.9mmt). Following structural improvements, our network is well equipped to continue providing growers with a reliable and flexible service.

In Processing, we expect continued growth in underlying demand for our oilseeds business, with crushing to operate at near capacity once again. Oilseed crush margins are expected to remain favourable, and we are well positioned to operate our crushing facilities at high utilisation and continue to maximise this opportunity. We expect the Foods market to remain highly competitive.

Strong cashflow generation and disciplined capital management has provided GrainCorp with significant balance sheet flexibility, allowing us to continue to return capital to shareholders while exploring growth opportunities.

Canola in bloom beside our Werris Creek receival site, 370 kilometres north-west of Sydney.

Risks

GrainCorp is exposed to a range of financial and non-financial business risks and uncertainties which could potentially have a material impact on the Group and its performance.

There are various risks associated with owning shares in GrainCorp – some of these risks are specific to GrainCorp and its business while others are risks of a more general nature that apply to any stock market investment. GrainCorp has a risk management framework in place with internal controls to mitigate these key business risks. However, the nature and potential impact of these risks can change over time and the extent to which GrainCorp can control these risks may vary.

Overall accountability for risk management lies with the GrainCorp Board. The Audit and Risk Committee assists the Board in its oversight of risk management, financial and assurance matters. The Board annually reviews and approves the design of the risk management framework and sets the risk appetite. The Board delegates responsibility for establishing and implementing the risk management framework and for implementing the internal controls and other systems and processes to manage risk, to the Managing Director and CEO, and the Executive Leadership Team.

The list of risks set out below is not exhaustive and does not consider the personal circumstances of shareholders.

Shareholders should seek professional advice if they are in any doubt about the risks associated with holding shares in GrainCorp.

Material Risk	Risk management strategies
Strategy alignment and execution	The ability of GrainCorp to implement or achieve its strategic objectives may be impacted by a range of factors, including changes to the competitive environment that result in a change to the underlying assumptions of the strategy, poor cost management, loss of key management personnel, failure to execute a project effectively, or adverse economic shocks and uncertainty. A failure by GrainCorp to execute its strategy may adversely affect operating margins and market share.
Climate variability and weather conditions	Adverse weather conditions can cause variability in grain production, which may impact GrainCorp's operating results in several ways; including variability in the volume of grain that GrainCorp stores, handles, transports, trades, exports and uses in its business. GrainCorp is most exposed to climate variability risk in eastern Australia. GrainCorp has managed its exposure to cyclical weather conditions by diversifying its operations into downstream value-adding businesses and by diversifying its international origination footprint. To further mitigate and manage these risks, in 2019, GrainCorp entered into a 10-year Crop Production Contract (CPC) with effect from FY20, which was designed to help smooth GrainCorp's cash flow, allowing for longer term capital allocation and business planning through-the-cycle. The CPC is intended to provide GrainCorp with payment(s) during poor seasonal harvest periods where a total winter grain production on the east coast of Australia is within certain agreed thresholds (subject to agreed limits). In order to reduce the annual fixed cost of the CPC, GrainCorp has also agreed to make payment(s) during strong seasonal harvest periods (subject to agreed limits). Because the payments under the CPC will not be determined by direct reference to GrainCorp's operations, level of grain receivals, market share, revenue or profits, the CPC may not adequately reduce the existing risks faced by GrainCorp. The CPC may also create new or alter existing risk factors for GrainCorp, including (but not limited to) counterparty risk in the event that the counterparty to the CPC fails to make payments owed to GrainCorp. Further detail concerning the CPC can be found in GrainCorp's FY23 Results Presentation, which can be viewed in the Investors & Media section of GrainCorp's website (www.graincorp.com.au). GrainCorp also continues to streamline its country receival and storage network in eastern Australia, investing to improve efficiency at key sites and reducing fixed costs. We continue to focus on increasing our understanding of the potential impacts of significant climate events, and climate change more broadly, on our business, and on implementing mitigation and adaptation actions to manage current and future risk according to our management framework. Disclosures, including description of the risks affecting our value chain, time horizon and how we are managing impacts at GrainCorp can be found in GrainCorp's 2022 and 2023 Sustainability Reports.
Technology and cyber security risk	GrainCorp relies on its own and third-party technology infrastructure and systems for its day-to-day operations, including for processing transactions, maintaining its website, product ordering, stock management and logistics systems and maintaining other back-office functions. Significant disruptions to GrainCorp's technology infrastructure or systems, or those of our key business partners, could limit GrainCorp's ability to carry out its operations. Similarly, the unauthorised disclosure of confidential company, customer, or third-party information, or a malicious attack on GrainCorp's infrastructure, could impact reputation or competitive strength or result in litigation and/or regulatory enforcement.
Regulation	GrainCorp's business is regulated by a range of laws and regulations in countries where GrainCorp operates. GrainCorp may be subject to costs, investigations, penalties, liabilities, loss of reputation and other adverse effects as a result of failure to comply with these laws and regulations. Further, the introduction of new laws and regulations could materially adversely impact GrainCorp's business and financial performance, for example by necessitating increased levels of expenditure on compliance, monitoring, controls, access regimes and arrangements and land use restrictions.

Risks

Material Risk	Risk management strategies
Transportation and logistics supply chain risk	GrainCorp's operations rely on rail, road and sea transportation to move grain and oil commodities from their source location to storage sites, and from these sites to GrainCorp's port terminals and manufacturing plants and to other domestic consumers. A disruption or delay in rail transportation service provision, for instance as a result of temporary or permanent rail track closures, may adversely impact GrainCorp's operations and operating results. GrainCorp also co-ordinates road and/or rail freight and charters vessels in and to international jurisdictions to transport products to consumers. A disruption in international shipping activities, for instance ship diversion, port blockages or acts of piracy, may also adversely impact GrainCorp.
Operational risks	GrainCorp's business is subject to various operational risks, including claims and disputes in relation to grain or finished product inventory (from handling losses, infestation, damage or destruction to storage facilities, and theft), machinery breakdown, supply issues, e.g., farmer storage and transport decisions, extreme weather (such as cyclones, floods, drought and frost), fire, loss of long-term agreements for supply or for premises, regulatory requirements, workplace disputes and impacts of environmental obligations.
Market demand risks	During times of reduced market demand for grain, GrainCorp may suspend or reduce operations and production at some of its facilities. The extent to which GrainCorp efficiently manages available capacity at its facilities will affect its profitability.
Industry cyclicality and commodity price risk	GrainCorp's business may be adversely affected by changes in the price of commodities, additional raw materials, and processed products, caused by market fluctuations beyond GrainCorp's control which could adversely affect margins. Additionally, market factors (such as weather, production, market demand and supply) in international jurisdictions may adversely impact supply and demand dynamics in Australia and, consequently, volumes and margins.
Hedging and risk management risk	GrainCorp's business is affected by fluctuations in grain and other agricultural commodity prices, transportation costs, energy and utility prices, interest rates and foreign exchange currency rates. GrainCorp's hedging strategies may not be successful in minimising its exposure to these fluctuations.
Food and feed industry risk	GrainCorp is subject to food and stockfeed industry risks including but not limited to spoilage, contamination, fumigation or treatment applications which do not meet destination requirements, tampering or other adulteration of products, product recalls, government regulation, destination or industry standards, livestock disease outbreaks (e.g. Foot and Mouth Disease) and potential product liability claims. These matters could adversely affect GrainCorp's business and operating results.
Changing consumer preferences risk	GrainCorp's business may be affected by changing consumer preferences due to increasing health awareness and demand for product premiumisation, including concerns regarding genetically modified organisms and plants. In GrainCorp's Foods business, changing consumer preferences for manufactured oils and fats products could adversely impact financial performance.
Capital requirements risk	GrainCorp requires significant amounts of capital to operate its business and fund capital expenditure. GrainCorp faces variations throughout the year in its draw on working capital, relating to customer purchasing behaviour and payment terms and commodity prices. If GrainCorp is unable to generate sufficient cash flows or raise sufficient external financing on acceptable terms to fund these activities, GrainCorp may be forced to limit its operations and growth plans, which may adversely impact efficiency, productivity, competitiveness and financial results.
Debt obligation risks	GrainCorp's debt obligations are subject to certain operating, financial and other covenants. If GrainCorp fails to meet these covenants, GrainCorp may be forced to repay those debt obligations on demand. GrainCorp may also not be able to put in place new debt facilities on acceptable terms by the time existing debt facilities expire.
Global and regional economic conditions risk	The level of demand for GrainCorp's services and products is affected by global and regional demographic and macroeconomic factors, including population growth rates and changes in standards of living. A significant downturn in global economic growth, or recessionary conditions in major geographic regions, may lead to a change in consumer preferences impacting demand for grain and agricultural commodities, such as flour, which could have a materially adverse effect on GrainCorp's business and financial performance.
Customers and supplier risk	Weak global economic conditions and tight credit markets may adversely affect the financial viability of some of GrainCorp's customers, suppliers and other counterparties, which may negatively impact GrainCorp's operations and financial performance. Equally, loss of customer supply agreements could negatively impact GrainCorp's financial and operational performance.

Material Risk	Risk management strategies
Utility prices and access to reliable water	Electricity and natural gas are key energy inputs in GrainCorp's storage and handling and manufacturing operations. As such, increases in energy prices may adversely impact GrainCorp's financial performance. Access to water may be impacted by climate variability, catastrophic drought or wide-spread contamination which may adversely impact financial performance.
Other external factors	GrainCorp's business and financial performance are subject to external factors, including farmer sowing decisions, levels of on-farm storage, domestic and international government farm support programs and policies, international trade policies, demand for biofuels, commodity price volatility, the outbreak of plant disease or pest and the occurrence of and resistance of pests to pesticides used to protect grain in storage. These factors may cause price and supply volume volatility and, consequently, volatility in GrainCorp's operating results.
Economic risks	General economic conditions, fluctuations in interest and inflation rates, commodity prices, currency exchange rates, energy costs, changes in governments, changes in fiscal, monetary and regulatory policies, the development of new technologies and other changes to general market conditions may have an adverse effect on GrainCorp, its future business activities and the value of GrainCorp shares.
Market conditions risk	Share market conditions may affect the value of shares regardless of GrainCorp's financial or operating performance. Share market conditions can be unpredictable and are affected by many factors including changes in investor sentiment toward particular market sectors (in particular agriculture and food supply) and the domestic and international economic outlook.
Significant events risk	Significant events may occur in Australia or internationally that could impact the market for commodities relevant to GrainCorp, GrainCorp's operations, the price of shares and the economy generally. These events include war, terrorism, civil disturbance, political actions and natural events such as earthquakes and floods.
Global and regional geopolitical and country/sovereign risk	As an international commodity trader, and importer and exporter of agricultural commodities, GrainCorp is vulnerable to geopolitical tensions which may impact global trade flows (including the implementation of trade agreements or accords between nations). There is a risk that GrainCorp's financial performance may be impacted when those tensions affect markets or commodities in which GrainCorp participates. GrainCorp is also vulnerable to country/sovereign risk, such as the imposition of tariff barriers, foreign exchange restrictions, and nationalisation of assets, which could adversely impact GrainCorp's financial performance.
Global Pandemic	Pandemic events (large-scale outbreaks of infectious diseases) which impact health and wellbeing over a wide geographic area, can cause significant economic, operational and social disruption which may adversely affect our businesses. GrainCorp activates our Crisis Management Team to manage the response to crises, including a pandemic.

Remuneration Report

Message from the Remuneration and Nominations Committee Chair

Dear Shareholder,

On behalf of the Board, I am pleased to present GrainCorp's Remuneration Report for FY23. The Board and Management of GrainCorp remain committed to ensuring that our remuneration structure fairly reflects the performance of our business and the contribution of our employees and is firmly aligned to the long-term sustainable growth of our Company. This Remuneration Report focuses on our Executive Key Management Personnel (KMP) and their remuneration outcomes, together with FY24 changes to non-executive fees.

FY23 performance and highlights

GrainCorp delivered another exceptional result in FY23, with earnings before interest, tax, depreciation, and amortisation (EBITDA) of $565m. Both of our business segments, Agribusiness and Processing, performed exceptionally well in FY23, with Processing achieving a record result.

Strong cash flow generation and disciplined capital management saw GrainCorp close the financial year with core cash of $349m.

The Board is pleased that the strong returns to GrainCorp shareholders continued in FY23 with total dividends of 54cps.

Remuneration outcomes for FY23

FY23 was one of the strongest years on record for GrainCorp. The Board believes that the KMP remuneration outcomes set out in this report recognise the role and the performance of the leadership team in delivering this result while balancing overall shareholder outcomes and expectations.

Short-term incentive (STI) outcomes

Executive KMP are assessed on a balanced scorecard that includes both financial and non-financial measures.

GrainCorp's primary non-financial measure for STI outcomes is Safety performance. In April this year, a fatal truck accident occurred at our Moree site in NSW, resulting in the death of a colleague. This tragedy has had a huge impact on the family and friends of our colleague, on the community in Moree and on the GrainCorp team. We continue to work with the community, and our teams within it, to provide support and assistance.

As a result of this accident, the Safety threshold was not met, and this has been reflected in the STI outcomes for all employees with no STI payment in relation to the safety performance metric.

We remain committed to continuous improvement in safety performance at GrainCorp and will maintain a relentless focus on critical risk and control effectiveness across the business.

Further details regarding the FY23 STI outcomes are set out in section 3 of this report.

Long-term incentive (LTI) outcomes

The FY21 LTI Award was tested at the end of the performance period, being 30 September 2023. Based on the strong performance against the two LTI Award measurements of Absolute Total Shareholder Return (aTSR) and Return on Invested Capital (ROIC) over the three-year performance period, 100% of the performance rights have vested for each recipient of the FY21 LTI Award.

The Board has not exercised any discretion in relation to STI outcomes or LTI vesting in FY23.

Executive remuneration framework review

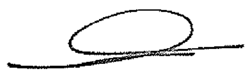
The Board undertook a review of the Executive remuneration framework in FY23 and engaged Godfrey Remuneration Group to provide independent external market benchmarking data. On the basis of this review, the Board is satisfied that the framework and structure of executive remuneration at GrainCorp remains appropriate and continues to balance and align the interests of executives and shareholders and ensure that the Company remains competitive in attracting and retaining talent. Following the review, no material change will be made to the executive remuneration structure for FY24.

Non-executive Director fees

Fees for the Chairman and Non-executive Directors (NEDs) are reviewed annually and are benchmarked against peer companies to ensure they are appropriate for a listed entity of GrainCorp's size and complexity.

Following the review, the Board determined that from FY24, the Chairman fee and Board member fee would be increased by 4.5% to align more closely with GrainCorp's market comparator group. No changes were made to Committee fees therefore the average Non-executive Director fee increase is 3.6%. The total NED fees for FY24 remain within the aggregate annual fee pool of $1,500,000 and the size of this pool also remains unchanged. Further details are included in section 5 of this report.

Thank you for your continued feedback and support.



Nicki Anderson
Chair, Remuneration and Nominations Committee

1. Introduction

The Directors of GrainCorp Limited (GrainCorp or the Company) present the Remuneration Report (Report) for the Company and its controlled entities (collectively the Group) for the financial year ended 30 September 2023 (FY23). The Report forms part of the Directors Report and has been prepared in accordance with section 300A of the *Corporations Act 2001* (Cth) and is audited.

Key Management Personnel (KMP)

GrainCorp is required to prepare a Remuneration Report in respect of the Group's KMP. In FY23, KMP comprised the Non-executive Directors (NED), the Managing Director and Chief Executive Officer (MD&CEO) and members of the Executive Leadership Team (ELT) who reported to the MD&CEO and led significant parts of the business, and were responsible for key business decisions, as consistent with the Australian Accounting Standards Board 124 *Related Party Disclosures (AASB 124)* definition.

The table below outlines the KMP for FY23.

Name	Role	Period as KMP during FY23
Non-executive Directors		
P I Richards	Chairman and Non-executive Director	Full year
N E Anderson	Non-executive Director	Full year
K M Grigg	Non-executive Director	Full year
D J Mangelsdorf	Non-executive Director	Full year
C M Stiff	Non-executive Director	Full year
Executive KMP		
R J Spurway	Managing Director and Chief Executive Officer	Full year
C M Hathaway	Chief People and Transformation Officer	Full year
I Morrison	Chief Financial Officer	Full year
K Pamminger	Chief Operating Officer	Full year

2. Remuneration framework

Remuneration Strategy

Our remuneration strategy, principles and frameworks are designed to deliver our purpose, vision and strategic priorities.

Executive KMP Remuneration Framework

GrainCorp's remuneration strategy rewards Executive KMP for delivering the Group's business strategy.

The diagram below provides an overview of our approach in FY23.

Executive Remuneration Components

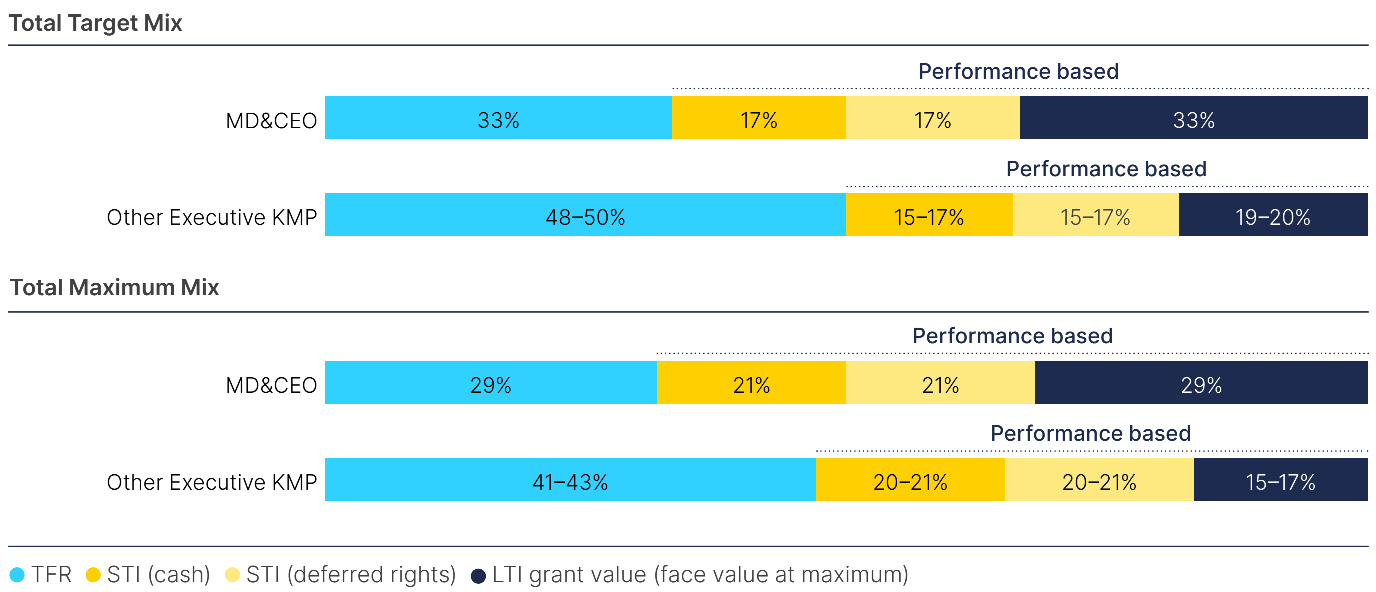
	Total Fixed Remuneration (TFR)	Short-term Incentive (STI)	Long-term Incentive (LTI)
Purpose	Reward for role size/complexity responsibility and competence	Reward for performance against annual business goals and promote retention and alignment to shareholder interests	Reward for superior long-term performance, encourage retention and alignment to shareholder interest
Link to performance	Motivation to drive a great culture and deliver on the business strategy	Strategic annual objectives embedded in each executives personalised scorecard of KPIs	Performance hurdles are set by the Board over multiple years to deliver sustained shareholder value
Performance measures	Significant position accountabilities that support the execution of the business strategy	Financial, safety, sustainability and strategic objectives	Absolute TSR: 50% Return on Invested Capital: 50%
Alignment	Attract and retain the best people based upon the competitive landscape among relevant peers	Reward year-on-year performance achieved in a balanced and sustainable manner	Encourage sustainable, long-term value creation through equity ownership
Delivery	Competitive market based fixed remuneration (Base Salary, Statutory Superannuation & benefits)	Annual cash payment (50%) Deferred rights (50%): 25% 1 year; 25% 2 years	Performance Rights 3 years

Executive Remuneration Mix

The total remuneration for executive KMP is made up of both fixed and variable remuneration. Variable remuneration is provided through the short-term incentive (STI) and long-term incentive (LTI) plans.

The remuneration mix for executive KMP is weighted towards at-risk performance-based remuneration to ensure a strong focus on the Group's short and long-term strategic objectives. A portion of executive remuneration is delivered in equity (deferred STI and LTI), to align our executives with shareholder interests.

The target and maximum remuneration mix for executive KMP are outlined in the tables below.



Executive Incentive Plans

The following table outlines the executive STI and LTI plans under which awards were made in FY23.

Table 1: Incentive plans

Element	STI	LTI
Purpose	To align and reward Executive KMP for the achievement of Group performance targets set by the Board at the beginning of the performance period.	To align the remuneration opportunity for Executive KMP with shareholder value.
Opportunity	The Board sets individual STI opportunity as a percentage of TFR. Individual performance is assessed against financial, safety, sustainability and strategic KPIs on a scale from 0% to 150% of target.	The Board determines LTI opportunities as a percentage of TFR, converted to performance rights at face value of GrainCorp shares based on the 20-trading-day volume weighted average price (VWAP) for GrainCorp shares up to and including 30 September 2022.
Performance period	One financial year.	3 years FY23 LTI: 1 October 2022 – 30 September 2025.
Form of reward	50% cash and 50% rights (deferred).	Performance rights.[1]
Deferral/ performance period	For Executive KMP, 50% of awarded STI is deferred to rights with 50% vesting after 12 months and 50% after 24 months under the Deferred Equity Plan (DEP).	No rights vest until performance outcomes against the performance hurdles have been determined.
Performance measures	STI performance targets are set by the Board annually to recognise that the business must respond to the changing business priorities and the significant variability in market conditions. The targets incorporate a significant amount of stretch to ensure Executive KMP are engaged and incentivised to appropriately deliver results. Executive KMP are assessed on a balanced scorecard of measures. For FY23 the measures were: • EBITDA (70%); • Safety (10%); • Environmental, Social, Governance (ESG) (5%); • Key Strategic Priorities (15%). Assessment of STI performance measures occurs following the end of the financial year, by the Board in relation to the MD&CEO and by the MD&CEO (and approved by the Remuneration and Nominations Committee (RNC)) in relation to other Executive KMP. The scorecard measures, description, weighting and the Board's assessment of performance in FY23 are provided in Table 4.	FY23 awards are divided into two separate tranches, each 50% of the award. The first tranche has a performance hurdle of return on invested capital (ROIC) and the second tranche a performance hurdle based on absolute total shareholder return (aTSR). There is also an ongoing service condition. The performance measures have been selected to incentivise Executive KMP towards long-term sustainable growth of the business and align Executive remuneration with shareholder value. **ROIC** The ROIC performance measure is the average of three one-year targets set by the Board annually. The proportion of rights that may vest for ROIC performance will be determined by the Board, based on the following vesting schedule.

Three-year average ROIC performance	Percentage of ROIC-tested rights to vest
Below minimum threshold	Nil
Minimum performance	50%
Between minimum and maximum	Straight line between 50% and 100%

aTSR

aTSR is defined as the compound annual growth rate (CAGR) of the Company's TSR over the three-year vesting period.

The proportion of rights that may vest based on TSR performance is determined by the Board, based on the following vesting schedule.

Absolute TSR	Percentage of TSR-tested rights to vest
Below 6%	Nil
6–9%	Straight line between 50% and 100%
9%	100%

No re-testing is allowed in relation to LTI awards. Vesting of all LTI awards is subject to Board discretion.

1. Performance rights are rights to shares in the company awarded to executives for nil consideration, which vest only if certain company-wide performance and individual service conditions are met. They do not carry any voting or dividend rights.

Element	STI	LTI
Malus	The Board in its discretion may determine that some, or all, of an employee's deferred STI or unvested LTI should be forfeited for gross misconduct, material misstatement or fraud.	
Cessation of Employment	Subject to Board discretion, incentives may: • Remain on foot to be paid or granted in full at their normal payment or grant date for cessation of employment due to redundancy, disability, death or retirement • Be forfeited for resignation or termination for cause.	Subject to Board discretion, incentives may: • Be forfeited for resignation or termination for cause, or • Be retained in full or on a pro-rata basis based on the proportion of the performance period that the participant was employed and be tested and vest subject to the satisfaction of applicable performance conditions at the end of the performance period for cessation of employment due to redundancy disability, death or retirement.
Change of control	All short and long-term deferred incentives will be paid in full on change of control unless the Board determines otherwise.	Subject to testing, unvested performance rights vest on change of control unless the Board determine otherwise. Rights that do not vest on change of control will lapse.
Board discretion	The Board will ensure that all decisions in relation to incentive outcomes are: • **Fair**: to balance reasonable remuneration outcomes for employees with outcomes for shareholders, which appropriately reward participants for their performance and contribution • **Aligned**: ensure remuneration outcomes are aligned to company performance (financial and non-financial) and to the purpose and objectives of the remuneration structure • **Consistent**: to maintain year-on-year clarity/consistency of application to employees and shareholders.	

Hedging of unvested equity awards

Executives cannot sell, transfer or otherwise deal with their rights (e.g. by using them as security for a loan). Executives may sell, transfer or deal with any shares received on vesting of their rights subject to compliance with GrainCorp's Share Trading Policy.

Employment terms

GrainCorp's Executive KMP are employed by GrainCorp Operations Limited under common law contracts with no fixed term. Contracts may be terminated at any time if the notice period is given. A summary of key employment terms for Executive KMP is outlined in the table below.

Table 2: Employment terms

	MD&CEO	Other Executive KMP
Notice period	Six months	Three to six months
Termination entitlements	Six months' severance[2]	Not in excess of 52 weeks' base salary

2. MD&CEO total termination entitlements cannot be in excess of 52 weeks base salary.

3. Company performance and remuneration outcomes

Business performance summary (five years)

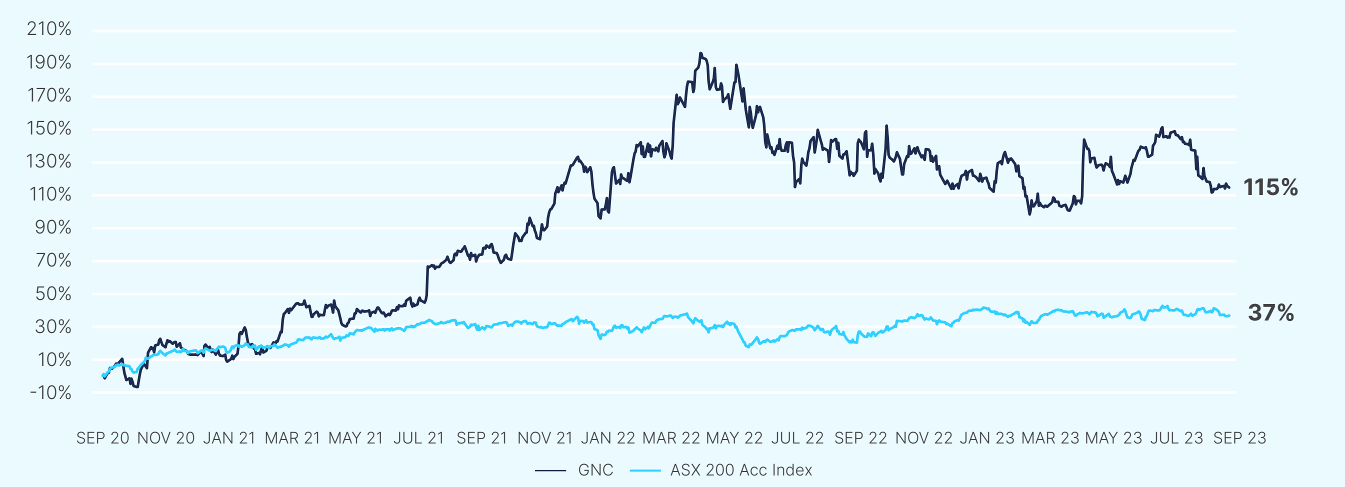
GrainCorp's performance on key metrics of sustainable value creation for the past five financial years is summarised below. All figures are presented as last reported, including discontinued operation in 2019 and 2020. All financial metrics are defined in the Glossary.

Table 3: Company financial performance

	2023	2022	2021	2020	2019
Underlying NPAT ($M)	249.7	380.4	139.3	12.6	(81.7)
Statutory NPAT ($M)	249.7	380.4	139.3	343.3	(113.0)
EBITDA ($M)	565.3	703.4	330.8	186.0	68.5
ROE (%)	15.8	27.0	12.0	0.9	(4.4)
ROIC (%)	18.6	27.9	11.1	1.6	(2.2)
Basic EPS (cents)	111.7	167.7	61.0	150.0	(49.4)
Annualised Total Shareholder Return (%)	(3.2)	28.3	73.0	7.1	1.2
Total dividends per share (cents)	54	54	18	7	Nil
Closing Share price (30 September) ($)	7.06	7.80	6.34	3.78	7.91

The graph below shows GrainCorp compared to the S&P/ASX 200 Accumulation Index, annualised Total Shareholder Return (TSR) for the three year period 1 October 2020 to 30 September 2023.[3]

GrainCorp versus S&P/ASX 200 Accumulation Index Total Shareholder Return (TSR)
(1 October 2020 to 30 September 2023)



This section details the FY23 Executive KMP remuneration outcomes.

FY23 TFR increases

Executive KMP remuneration is benchmarked annually. Following the FY22 review the MD&CEO received a 10% increase to his fixed remuneration in FY23 to align Mr Spurway's fixed remuneration more closely with executives of his experience and capability. The review took into account market data for similar sized ASX-listed companies based on market capitalisation and recognised the current external market demand for senior executive talent and the scarcity of experienced executive level candidates in the agriculture sector. The Board also considered the outstanding financial results delivered under Mr Spurway's leadership since his appointment and the significant value delivered to shareholders.

3. TSR calculated using the daily closing GrainCorp share price.

The Board approved an increase of 8% to the CFO's fixed remuneration to align Mr Morrison's fixed remuneration more closely with the market and to reflect his strong individual performance.

The Board considers the increases to KMP remuneration to be appropriate, and an important component of the framework that ensures executive remuneration at GrainCorp remains competitive and will attract, motivate and retain key executive talent.

Assessment of FY23 Group Scorecard

The FY23 STI outcome for each of the Executive KMP is based on performance against a balanced scorecard of financial and non-financial measures as set out in Table 4.

The table below outlines Executive KMP performance against scorecard measures in FY23.

Table 4: FY23 Balanced scorecard performance

		Actual Performance Outcome					
	Weighting	Below Threshold	Threshold to Target	Target	Target to Stretch	Stretch	Commentary to support achievement
Financial EBITDA	70%					✓	• EBITDA of $565.3m, the second highest financial result in GrainCorp's history. • Highly efficient supply chain execution. • Increased crush volumes at elevated margins.
Safety Reportable Injury Frequency Rate Critical Injury Frequency Rate Corrective Action close out Critical Risk Reviews	10%	✓					• Safety threshold not met due to fatal injury.
ESG Development of Science Based Targets Initiatives (SBTi) Reconciliation Action Plan (RAP) approval and implementation Procurement spend assessed for responsible sourcing risk	5%				✓		• Phase 1 of our commitment to SBTi was undertaken and involved validating our Scope 1, 2 and 3 inventories based on SBTi approved methodologies. • Developed GrainCorp's RAP at Innovate level and lodged with Reconciliation Australia. • Assessed over 85% of procurement spend for responsible sourcing risk.
Strategy Delivery of priority programs Continued development of core and growth strategic initiatives	15%			✓			• Delivered core business improvements that contribute to through-the-cycle earnings. • Disciplined pursuit of strategic growth opportunities, including investment in AgTech innovation, Animal Nutrition and Agri-energy. • Progressed priority programs to simplify and optimise our business for efficiency and enhanced customer experience.
Overall Performance Outcome					✓		

FY23 STI outcomes

The table below outlines FY23 STI outcomes.

Table 5: FY23 STI outcomes

	STI award as a % of fixed remuneration	STI awarded as % of target	STI award ($'000's)	Cash Payment ($'000's)	Deferred amount ($'000's)	STI forfeited as % of maximum STI
Executive KMP						
R J Spurway	125%	125.3%	$1,451	$725	$726	16.5%
C M Hathaway	75%	125.3%	$410	$205	$205	16.5%
I Morrison	75%	125.3%	$489	$245	$244	16.5%
K Pamminger	88%	125.3%	$671	$335	$336	16.5%

LTI outcomes

The FY21 LTI Award reached the end of the three year performance period on 30 September 2023 and strong performance led to 100% of performance rights vesting. Further information on the achievement against the LTI performance measures can be seen in Tables 6, 7 and 8.

Table 6: FY21 LTI aTSR performance measure results

The table below shows the aTSR vesting schedule.

Absolute TSR[4]	Minimum of aTSR target range	Maximum of aTSR target range	Actual aTSR performance	Percentage of grant vesting
	8.9%	9.0%	30.7%	50% (100% of aTSR portion)

Table 7: FY21 LTI ROIC performance results

ROIC[5]	Minimum of ROIC target range	Maximum of ROIC target range	Actual ROIC performance	Percentage of grant vesting
	8.9%	10.7%	20.2%	50% (100% of ROIC portion)

Table 8: FY21 LTI grant vesting outcomes

	Amount granted (number of rights)	% of grant that vested	% of grant that was forfeited
Executive KMP			
R J Spurway	239,259	100%	–
C M Hathaway	47,851	100%	–
I Morrison	54,320	100%	–
K Pamminger	70,518	100%	–

Board discretion

The Board has not exercised any discretion in relation to STI outcome, or LTI vesting.

4. aTSR is the compound annual growth rate (CAGR) of the Company's TSR over the vesting period. The starting VWAP share price is calculated over the six months prior to the commencement of the performance period and the end VWAP share price over the period of six months prior to the end of the performance period.
5. ROIC is a non-IFRS measure and is defined as Group net profit after tax less interest expense (after tax) associated with core debt/average net debt (excluding commodity inventory funding) + average total equity.

Remuneration outcomes for FY23

Remuneration for Executive KMP for FY23 and FY22 is shown in the table below.

Table 9: Statutory executive KMP remuneration disclosures

		Short-term benefits			Post-employment benefits		Other long-term benefits				Additional non-statutory Information		
		Base salary and fees[6]	Non-monetary benefits[7]	STI cash[8]	Superannuation benefits	Termination benefits	STI deferral	LTI awards	Long service leave	Total	Less: current year accruals[9]	Add: previously accrued amounts vested in current year[10]	Actual remuneration Received in the year
	Year	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Executive KMP													
R J Spurway	**2023**	**1,058**	**2**	**725**	**26**	**–**	**722**	**846**	**20**	**3,399**	**(1,588)**	**2,419**	**4,230**
	2022	1,044	163	786	24	–	767	1,150	18	3,952	(1,935)	2,728	4,745
C M Hathaway	**2023**	**540**	**11**	**205**	**26**	**–**	**211**	**166**	**9**	**1,168**	**(386)**	**556**	**1,338**
	2022	488	11	235	24	–	246	232	9	1,245	(487)	655	1,413
I Morrison	**2023**	**597**	**11**	**245**	**26**	**–**	**246**	**192**	**17**	**1,334**	**(455)**	**633**	**1,512**
	2022	573	11	270	24	–	257	140	15	1,290	(412)	148	1,026
K Pamminger	**2023**	**721**	**20**	**335**	**26**	**–**	**349**	**237**	**19**	**1,707**	**(605)**	**865**	**1,967**
	2022	712	27	384	24	–	410	337	19	1,913	(766)	1,000	2,147
Total	**2023**	**2,916**	**44**	**1,510**	**104**	**–**	**1,528**	**1,441**	**65**	**7,608**	**(3,034)**	**4,473**	**9,047**
	2022	2,817	212	1,675	96	–	1,680	1,859	61	8,400	(3,600)	4,531	9,331

6. Base salary and fees include changes in accrued annual leave during the year.
7. Non-monetary benefits provided include the gross value of items such as flights, accommodation, parking and vehicle.
8. Includes cash payments under the STI and discretionary awards. The accounting value of STI deferred cash and share rights is reflected in the 'STI deferral' column.
9. The value of current year accruals represents the accounting value for share based payments, deferred cash, long service leave.
10. The value of previously accrued amounts vested in current year represents long service leave and deferred incentives vested during the year.

4. Remuneration governance

Board

The Board has overall responsibility for the remuneration strategy and outcomes for executives and Non-executive Directors.

Remuneration and Nominations Committee

The Remuneration and Nominations Committee (RNC) provides advice and assistance to the Board in relation to remuneration and incentive policies.

The RNC receives input from the Safety Health and Environment Committee and the Audit and Risk Committee in relation to material safety, health and environment risk issues, behaviours and compliance breaches. The RNC seeks specialised input, as required, from the Sustainability Committee and the Safety Health and Environment Committee on sustainability and safety, health and environment related key performance indicators for Executive remuneration.

Management

Management makes recommendations to the RNC in relation to executive appointments, policies, remuneration structures and outcomes. The MD&CEO provides recommendations to the RNC on Fixed Remuneration and STI outcomes for his direct reports.

5. Non-executive Director fees framework

Non-executive Director (NED) fees comprise a base fee plus a fee for participation in Board Committees (i.e., Committee Chairs and members). NEDs do not participate in any performance-related incentive awards.

The Chairman of the Board receives a higher fee to reflect the additional time commitment and responsibilities required of the role and does not receive any additional fees for participation in Board Committees.

NED fees are paid from an aggregate annual fee pool of $1,500,000 (including superannuation contributions). Following the fee increases for FY24, the total NED fees remain within this figure and the annual fee pool remains unchanged.

The RNC reviews NED fee arrangements annually to confirm fees remain competitive in retaining and attracting directors. Fees are benchmarked against similar sized ASX-listed companies based on market capitalisation.

The benchmarking review undertaken in 2023 compared the NED fees against a market capitalisation comparator group that included 20 companies with 10 larger and 10 smaller than GrainCorp's average market capitalisation. The comparator group was based on companies in the Industrial and Services and Materials sector. The median fee increase[11] for Board Chair and Member in the comparator group were 7% and 4% respectively, The Board have taken a conservative approach and considered it appropriate to increase the Board Chairman and Member fees by 4.5%. Committee fees remain unchanged. The Board fee policy for FY24 remains within the aggregate fee pool.

The Board Fee Policy for FY23 and FY24 is outlined in Table 10.

Table 10: Board fee policy

	Board fees inclusive of superannuation (S'000's)			
	FY23		FY24	
	Chair	Member	Chair	Member
Board	312.5	125.0	326.5	130.6
Board Committees				
Audit and Risk Committee	28.0	14.0	28.0	14.0
Remuneration and Nominations Committee	26.0	13.0	26.0	13.0
Safety Health and Environment Committee	26.0	13.0	26.0	13.0
Sustainability Committee	26.0	13.0	26.0	13.0

11. Based on NED same incumbent movements between FY21 and FY22.

Remuneration for Non-executive KMP for FY23 and FY22 is shown in the table below.

Table 11: Statutory NED remuneration disclosures

	Year	Base salary and fees $'000	Superannuation benefits $'000	Total $'000
Non-executive Directors				
P I Richards	**2023**	**287**	**26**	**313**
	2022	248	24	272
N E Anderson	**2023**	**148**	**16**	**164**
	2022	128	13	141
K M Grigg	**2023**	**162**	**17**	**179**
	2022	134	14	148
D J Mangelsdorf	**2023**	**149**	**16**	**165**
	2022	139	13	152
C M Stiff	**2023**	**161**	**17**	**178**
	2022	125	13	138
Former Non-executive Director				
D G McGauchie	**2023**	**–**	**–**	**–**
	2022	47	5	52
Total	**2023**	**907**	**92**	**999**
	2022	821	82	903

6. Shareholdings and other mandatory disclosures

Movement of rights held during the reporting period

Details of the movement in number of performance rights in the Company, during the reporting period, are detailed in the table below.

Table 12: Movement in number of performance rights during FY23

	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Forfeited, cancelled or lapsed during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Current Executive KMP						
R J Spurway	809,402	236,132	349,690	–	695,844	342,680
C M Hathaway	176,525	54,997	79,209	–	152,313	78,821
I Morrison	129,934	64,373	18,975	–	175,332	89,681
K Pamminger	266,560	83,838	121,303	–	229,095	122,590

Number and value of rights granted, vested and forfeited under the deferred STI and LTI awards

Details of the rights granted as remuneration and held, and the applicable vesting profile as at 30 September 2023 for each Executive KMP is presented in the table below. Rights are granted for nil consideration (i.e. zero exercise price) and automatically vest following performance testing (i.e. do not need to be exercised).

No performance rights vest if the conditions are not satisfied, hence minimum value yet to vest is nil. The maximum value of the grants yet to vest has been determined as the amount of the grant date fair value that is yet to be expensed.

Table 13: Number of rights granted, vested and forfeited during FY23

	Equity granted						Vested in FY23		
	Plan[12]	Number of rights	Grant date	Fair value at grant[13] $'000	Financial year in which rights may vest	Maximum fair value yet to vest $'000	Vested in the year (%)	Forfeited in the year (%)	Number of ordinary shares
Current Executive KMP									
R J Spurway	LTI 2023	140,624	3-Mar-23	753	2025	522	–	–	–
	DEP 2022	95,508	3-Mar-23	724	2023 and 2024	121	50%	–	47,754
	LTI 2022	164,786	25-Feb-22	1,121	2024	374	–	–	–
	DEP 2021	111,335	25-Feb-22	863	2022 and 2023	–	50%	–	55,667
	LTI 2021	239,259	5-Mar-21	726	2023	–	100%	–	239,259
C M Hathaway	LTI 2023	26,496	3-Mar-23	142	2025	98	–	–	–
	DEP 2022	28,501	3-Mar-23	216	2023 and 2024	36	50%	–	14,251
	LTI 2022	32,746	25-Feb-22	223	2024	74	–	–	–
	DEP 2021	33,439	25-Feb-22	259	2022 and 2023	–	50%	–	16,719
	LTI 2021	47,851	5-Mar-21	145	2023	–	100%	–	47,851
I Morrison	LTI 2023	31,600	3-Mar-23	169	2025	117	–	–	–
	DEP 2022	32,773	3-Mar-23	248	2023 and 2024	41	50%	–	16,387
	LTI 2022	37,665	25-Feb-22	256	2024	85	–	–	–
	DEP 2021	37,949	25-Feb-22	294	2022 and 2023	–	50%	–	18,974
	LTI 2021	54,320	5-Mar-21	165	2023	–	100%	–	54,320
K Pamminger	LTI 2023	37,143	3-Mar-23	199	2025	138	–	–	–
	DEP 2022	46,695	3-Mar-23	354	2023 and 2024	59	50%	–	23,348
	LTI 2022	46,015	25-Feb-22	313	2024	104	–	–	–
	DEP 2021	57,449	25-Feb-22	445	2022 and 2023	–	50%	–	28,724
	LTI 2021	70,518	5-Mar-21	214	2023	–	100%	–	70,518

12. DEP 2023 for Executive KMP will be granted after the end of the financial year and will therefore be reported in the FY24 report.
13. The fair value at grant date is determined using the option pricing for the aTSR and ROIC hurdles disclosed in note 5.2 of the Financial Report.

Shares held by KMP

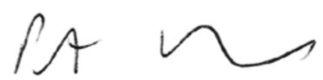
KMP have a relevant interest in the following number of shares in the Company as at 30 September 2023.

Table 14: Number of shares held by KMP

Name	Balance at the start of the year	Received during the year on exercise of rights	Other changes during the year	Balance at the end of the year
Non-executive Directors				
P I Richards	10,000	–	–	10,000
N E Anderson	–	–	3,113	3,113
K M Grigg	8,000	–	6,000	14,000
D J Mangelsdorf	15,528	–	–	15,528
C M Stiff	–	–	10,000	10,000
Executive KMP				
R J Spurway	12,504	349,690	–	362,194
C M Hathaway	–	79,209	–	79,209
I Morrison	35,805	18,975	–	54,780
K Pamminger	102,981	121,303	(123,354)	100,930

Loans to KMP and their related parties

No loans were provided to KMP or their related parties as at the date of this report.



Peter Richards
Chairman

Sydney
16 November 2023

Auditor's Independence Declaration

As lead auditor for the audit of GrainCorp Limited for the year ended 30 September 2023, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of GrainCorp Limited and the entities it controlled during the period.

Eliza Penny
Partner
PricewaterhouseCoopers

Sydney
16 November 2023

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

2023 Financial Report

Consolidated Income Statement

For the year ended 30 September 2023

	Note	2023 $ M	2022 $ M
Revenue	1.2	8,229.1	7,868.3
Other income / (loss)	1.3	(87.4)	(398.5)
Goods purchased for resale		(5,809.7)	(5,130.2)
Raw materials and consumables used		(1,087.8)	(1,047.8)
Employee benefits expense	1.4	(408.8)	(382.4)
Finance costs		(73.5)	(37.5)
Depreciation and amortisation		(116.9)	(117.3)
Impairment expense	3.3, 3.5	(19.2)	-
Repairs and maintenance		(64.8)	(61.1)
Other expenses	1.4	(166.9)	(130.7)
Share of results of investments accounted for using the equity method	4.4	(23.4)	(12.7)
Profit before income tax		**370.7**	**550.1**
Income tax expense	1.5	(121.0)	(169.7)
Profit after tax		**249.7**	**380.4**

	Note	2023 Cents	2022 Cents
Earnings per share attributable to owners of GrainCorp Limited			
Basic earnings per share	1.6	111.7	167.7
Diluted earnings per share	1.6	111.0	166.6

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2023

	Note	2023 $ M	2022 $ M
Profit for the year		**249.7**	**380.4**
Other comprehensive income			
Items that may be reclassified to profit and loss:			
Changes in fair value of cash flow hedges		(1.9)	5.4
Income tax relating to these items	1.5	0.5	(3.3)
Exchange differences on translation of foreign operations		7.5	(7.7)
Other comprehensive income / (loss) for the year, net of tax		**6.1**	**(5.6)**
Total comprehensive income for the year, net of tax		**255.8**	**374.8**

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 September 2023

	Note	2023 $ M	2022 $ M
Current assets			
Cash and cash equivalents	2.2	609.2	322.4
Trade and other receivables	3.1	620.6	630.2
Inventories	3.2	827.9	857.5
Derivative financial instruments	2.6	205.7	423.7
Investments in other entities	2.6	125.6	-
Current tax assets		0.2	-
Assets classified as held for sale		0.1	0.1
Total current assets		**2,389.3**	**2,233.9**
Non-current assets			
Trade and other receivables	3.1	2.0	-
Derivative financial instruments	2.6	6.0	5.6
Investments in other entities	2.6	14.8	84.6
Deferred tax assets	1.5	29.9	18.3
Property, plant and equipment	3.3	639.1	663.8
Lease assets	3.5	173.3	190.1
Intangible assets	3.4	98.8	99.0
Investments accounted for using the equity method	4.4	65.6	49.7
Total non-current assets		**1,029.5**	**1,111.1**
Total assets		**3,418.8**	**3,345.0**
Current liabilities			
Trade and other payables	3.6	285.9	278.4
Deferred revenue		19.0	30.0
Lease liabilities	3.5	38.0	37.8
Borrowings	2.1	831.7	712.5
Derivative financial instruments	2.6	156.0	271.2
Current tax liabilities		41.5	112.6
Provisions	3.7	72.3	57.3
Total current liabilities		**1,444.4**	**1,499.8**
Non-current liabilities			
Trade and other payables	3.6	9.6	10.1
Lease liabilities	3.5	186.9	203.5
Borrowings	2.1	150.0	150.0
Derivative financial instruments	2.6	24.1	19.5
Deferred tax liabilities	1.5	0.1	0.1
Provisions	3.7	11.9	9.3
Total non-current liabilities		**382.6**	**392.5**
Total liabilities		**1,827.0**	**1,892.3**
Net assets		**1,591.8**	**1,452.7**
Equity			
Contributed equity	2.3	527.1	516.6
Reserves		20.5	21.0
Retained earnings		1,044.2	915.1
Total equity		**1,591.8**	**1,452.7**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 September 2023

	Hedging reserve $ M	Capital reserve $ M	Share option reserve $ M	Translation reserve $ M	Total reserves $ M	Contributed equity $ M	Retained earnings $ M	Total equity $ M
At 30 September 2021	**1.6**	**8.3**	**4.9**	**8.5**	**23.3**	**570.6**	**611.2**	**1,205.1**
Profit for the year	-	-	-	-	-	-	380.4	380.4
Other comprehensive income:					-			
Exchange differences on translation of foreign operations	-	-	-	(7.7)	(7.7)	-	-	(7.7)
Changes in fair value of cash flow hedges	5.4	-	-	-	5.4	-	-	5.4
Deferred tax (expense) / credit	(3.3)	-	-	-	(3.3)	-	-	(3.3)
Total other comprehensive income	**2.1**	**-**	**-**	**(7.7)**	**(5.6)**	**-**	**-**	**(5.6)**
Total comprehensive income for the year	2.1	-	-	(7.7)	(5.6)	-	380.4	374.8
Transactions with owners:								
Dividends paid on ordinary shares	-	-	-	-	-	-	(76.5)	(76.5)
Share buy-back (note 2.3)	-	-	-	-	-	(50.0)	-	(50.0)
Share-based payments (note 5.2)	-	-	4.3	-	4.3	-	-	4.3
Treasury shares vested to employees	-	-	(1.0)	-	(1.0)	1.0	-	-
Treasury shares purchased	-	-	-	-	-	(5.0)	-	(5.0)
At 30 September 2022	**3.7**	**8.3**	**8.2**	**0.8**	**21.0**	**516.6**	**915.1**	**1,452.7**
Profit for the year	-	-	-	-	-	-	249.7	249.7
Other comprehensive income:					-			
Exchange differences on translation of foreign operations	-	-	-	7.5	7.5	-	-	7.5
Changes in fair value of cash flow hedges	(1.9)	-	-	-	(1.9)	-	-	(1.9)
Deferred tax (expense) / credit	0.5	-	-	-	0.5	-	-	0.5
Total other comprehensive income	**(1.4)**	**-**	**-**	**7.5**	**6.1**	**-**	**-**	**6.1**
Total comprehensive income for the year	(1.4)	-	-	7.5	6.1	-	249.7	255.8
Transactions with owners:								
Dividends paid on ordinary shares	-	-	-	-	-	-	(120.8)	(120.8)
Dividends paid on treasury shares	-	-	-	-	-	-	0.2	0.2
Issue of share capital (note 2.3)	-	-	(5.1)	-	(5.1)	5.1	-	-
Share-based payments (note 5.2)	-	-	3.9	-	3.9	-	-	3.9
Treasury shares vested to employees (note 2.3)	-	-	(5.4)	-	(5.4)	5.4	-	-
At 30 September 2023	**2.3**	**8.3**	**1.6**	**8.3**	**20.5**	**527.1**	**1,044.2**	**1,591.8**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 September 2023

	Note	2023 $ M	2022 $ M
Cash flows from operating activities			
Receipts from customers		9,081.6	8,589.4
Payments to suppliers and employees		(8,318.9)	(7,979.2)
		762.7	**610.2**
Proceeds from bank loans – inventory funding		155.4	111.8
Payments for commodity inventories		(4.6)	(119.1)
Interest received		14.1	1.5
Interest paid		(73.5)	(37.5)
Income taxes paid		(202.9)	(47.3)
Net outflow from crop production contract	1.3	(75.9)	(75.9)
Net cashflows from operating activities	**2.2**	**575.3**	**443.7**
Cash flows from investing activities			
Payments for property, plant and equipment and computer software		(66.3)	(80.8)
Proceeds from sale of property, plant and equipment		1.3	2.3
Payments for investments		(49.2)	(5.7)
Dividends received		-	1.3
Loans repaid / (granted) to related parties	4.4	23.0	(21.2)
Net cashflows from investing activities		**(91.2)**	**(104.1)**
Cash flows from financing activities			
Proceeds from borrowings		682.7	1,522.1
Repayment of borrowings		(718.5)	(1,497.8)
Principal elements of lease payments		(40.7)	(36.6)
Dividends paid	2.4	(120.8)	(76.5)
Payments for share buy-back	2.3	-	(50.0)
Treasury shares purchased		-	(5.0)
Net cashflows from financing activities		**(197.3)**	**(143.8)**
Net increase in cash and cash equivalents		286.8	195.8
Cash and cash equivalents at the beginning of the year		322.4	126.6
Cash and cash equivalents at the end of the year	**2.2**	**609.2**	**322.4**

The above Consolidated Statement of Cash Flow should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2023

About this Report

The financial report includes consolidated financial statements for GrainCorp Limited (GrainCorp or the Company) and its controlled entities (collectively the Group). GrainCorp Limited is a company incorporated and domiciled in Australia, limited by shares which are publicly traded on the Australian Securities Exchange. GrainCorp is a for-profit company for the purposes of preparing the financial statements.

The financial report of GrainCorp Limited for the year ended 30 September 2023 was authorised for issue in accordance with a resolution of the Directors on 16 November 2023. The Directors have the power to amend and reissue the financial report.

a) Basis of preparation

This general purpose financial report:

i. has been prepared in accordance with the requirements of the *Corporation Act 2001*, Australian Accounting Standards Board (AASB) and other authoritative pronouncements of AASB and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board

ii. is presented in Australian dollars, with all values rounded off to the nearest hundred thousand dollars unless otherwise indicated, in accordance with ASIC Corporations (Rounding in Financial/Director's Report) Instrument 2016/191

iii. is presented under the historical cost basis apart from derivative financial instruments, commodity inventories and investments which are measured at fair value

iv. presents reclassified comparative information where necessary to conform to changes in the current year; and

v. does not early adopt any Australian Accounting Standards and Interpretations that have been issued or amended but are not yet effective.

The 2022 comparative information within the Consolidated Income Statement has been reclassified between goods purchased for resale and raw materials and consumables used by $374.5 million. This reclassification had the impact of increasing raw materials and consumables used by $374.5 million and reducing goods purchased for resale by the same amount to improve comparability and more accurately reflect the external consumption of raw material.

Climate Change

The Task Force on Climate-Related Financial Disclosures (TCFD) is a reporting framework that consists of a list of recommendations for companies to consider, with the aim to improve and increase the reporting of climate-related financial information. In accordance with the TCFD reporting framework, management have considered the impact of both physical and transition climate change risks on the current valuation of our assets and liabilities.

The Group does not believe that there is a material impact on the financial reporting judgements and estimates arising from our considerations and as a result the valuations of our assets or liabilities have not been significantly impacted by these risks as at 30 September 2023. In concluding, we specifically considered the impact of climate change on the growth rates and projected cash flows as part of our goodwill impairment testing (see note 3.4).

b) Key judgements and estimates

In applying the Group's accounting policies, management has made a number of judgements and applied estimates of future events. Judgement and estimations which are material to the financial report relate to the following areas:

	Note
Taxation	1.5
Financial instruments and risk management	2.6
Intangible assets	3.4

c) Significant accounting policies

Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Other significant accounting policies are disclosed in the notes to the financial report to which they relate.

i. Foreign currency

These consolidated financial statements are presented in Australian dollars, which is the functional currency of the parent entity. Foreign currency transactions are translated into the functional currency using the exchange rates at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at reporting date exchange rates are generally recognised in profit or loss. Transactions, assets and liabilities denominated in foreign currencies are translated into Australian dollars at reporting date using the following applicable exchange rates:

Foreign currency amount	Applicable exchange rate
Transactions	Date of transaction
Monetary assets and liabilities	Reporting date
Non-monetary assets and liabilities carried at fair value	Date fair value is determined

Foreign exchange gains and losses resulting from translation are recognised in the consolidated statement of comprehensive income, except for qualifying cash flow hedges which are deferred to equity. Foreign exchange differences resulting from translation are initially recognised in the foreign currency translation reserve and subsequently transferred to profit or loss on disposal of the foreign operation. On consolidation, the assets, liabilities, income and expenses of foreign operations are translated into Australian dollars using the following applicable exchange rates:

Foreign currency amount	Applicable exchange rate
Income and expenses	Average exchange rate for the period
Assets and liabilities	Reporting date
Equity	Historical date
Reserves	Reporting date

ii. Goods and Services Tax (GST)

Revenue, expenses and capital assets are recognised net of GST, except where the GST incurred is not recoverable from the taxation authority, in which case the GST is recognised as part of the expense or cost of the asset. Receivables and payables are stated with the amount of GST included. The net amounts of GST recoverable from or payable to the taxation authorities are included as a current asset or liability in the Consolidated Statement of Financial Position. Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from or payable to taxation authorities are classified as operating cash flows.

d) Changes in accounting policies and disclosures

New and amended standards and interpretations

The International Sustainability Standards Board (ISSB) issued sustainability disclosure standards IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, and IFRS S2 Climate-related Disclosures, which will become effective for GrainCorp from 1 October 2024. GrainCorp will continue to evaluate the requirements in this area and enhance its sustainability disclosures.

GrainCorp has applied the mandatory exception from recognising and disclosing information regarding deferred tax assets and liabilities related to OECD Pillar Two Global Anti-Base Erosion Rules.

e) Tax Governance

GrainCorp is committed to embedding risk management practices to support the achievement of compliance objectives and fulfilment of corporate governance obligations. Tax risk management is governed by both the GrainCorp Corporate Governance Statement and the GrainCorp Group Tax Risk Management Policy, ensuring corporate governance obligations with respect to tax risks are met. GrainCorp applies professional diligence and care in the management of all risks associated with tax matters and ensure governance and assurance procedures are appropriate while fostering constructive, professional and transparent relations with tax authorities, based on the concepts of integrity, collaboration and mutual trust.

1 Group Performance

This section of the Financial Report focuses on disclosures most relevant to understanding the financial performance of the Group during the year. Segment reporting provides a breakdown of profit and revenue by operational activity. The key line items of the Consolidated Income Statement along with their components provide detail behind the reported balances. Group performance also impacts earnings per share.

1.1 Segment information

a) Description of segments

The Group is organised into two segments which reflects the operational activity, review and use of internal reporting by the Chief Operating Decision Maker (Chief Executive Officer and Managing Director).

Operating segment	Products and services
Agribusiness	A leading Australian end-to-end grains and oils supply chain business with diversified international grains and oils origination and destination capabilities. The key commodities and products handled and traded by this segment include wheat, coarse grains (including barley, sorghum and corn), oilseeds, pulses, organics, animal fats, used cooking oils and vegetable oils for animal feed purposes.
Processing	A vertically integrated edible oils crushing, processing, manufacturing and distribution business with a strong and well-invested footprint across both Australia and New Zealand.

Corporate includes unallocated corporate costs such as group financing. Segment performance is based on a measure of EBITDA. EBITDA is a non-IFRS measure representing earnings before interest, tax, depreciation and amortisation.

b) Performance of segments

	Agribusiness	Processing	Reportable segments	Corporate	Eliminations	Total
2023	**$ M**	**$ M**	**$ M**	**$ M**	**$ M**	**$ M**
Reportable segment revenue						
External revenue	7,186.5	1,042.6	8,229.1	-	-	8,229.1
Intersegment revenue	616.1	33.8	649.9	-	(649.9)	-
Total reportable segment revenue	**7,802.6**	**1,076.4**	**8,879.0**	**-**	**(649.9)**	**8,229.1**
Reportable segment result	**422.7**	**152.7**	**575.4**	**(32.5)**	**-**	**542.9**
Share of results of investments accounted for using the equity method	(22.2)	-	(22.2)	(1.2)	-	(23.4)
Net change in fair value of investments	-	-	-	45.8	-	45.8
EBITDA	**400.5**	**152.7**	**553.2**	**12.1**	**-**	**565.3**
Lease interest	(6.2)	(1.1)	(7.3)	(0.2)	-	(7.5)
Net interest	(51.6)	(3.1)	(54.7)	3.7	-	(51.0)
Depreciation and amortisation	(87.0)	(26.0)	(113.0)	(3.9)	-	(116.9)
Impairment expense (note 3.3 and 3.5)	-	(19.2)	(19.2)	-	-	(19.2)
Profit before income tax	**255.7**	**103.3**	**359.0**	**11.7**	**-**	**370.7**
Other segment information						
Capital expenditure	50.7	14.8	65.5	0.8	-	66.3
Reportable segment assets	2,049.2	582.3	2,631.5	787.3	-	3,418.8
Reportable segment liabilities	(1,388.9)	(225.1)	(1,614.0)	(213.0)	-	(1,827.0)

1.1 Segment information (continued)

2022	Agribusiness $ M	Processing $ M	Reportable segments $ M	Corporate $ M	Eliminations $ M	Total $ M
Reportable segment revenue						
External revenue	6,859.5	1,008.8	7,868.3	-	-	7,868.3
Intersegment revenue	699.7	15.8	715.5	-	(715.5)	-
Total reportable segment revenue	**7,559.2**	**1,024.6**	**8,583.8**	**-**	**(715.5)**	**7,868.3**
Reportable segment result	**635.2**	**127.0**	**762.2**	**(22.6)**	**-**	**739.6**
Share of results of investments accounted for using the equity method	(11.1)	-	(11.1)	(1.6)	-	(12.7)
Net change in fair value of investments	-	-	-	(23.5)	-	(23.5)
EBITDA	**624.1**	**127.0**	**751.1**	**(47.7)**	**-**	**703.4**
Lease interest	(6.4)	(0.9)	(7.3)	(0.2)	-	(7.5)
Net interest	(19.2)	(2.8)	(22.0)	(6.5)	-	(28.5)
Depreciation and amortisation	(86.2)	(26.0)	(112.2)	(5.1)	-	(117.3)
Profit / (loss) before income tax	**512.3**	**97.3**	**609.6**	**(59.5)**	**-**	**550.1**
Other segment information						
Capital expenditure	69.5	10.6	80.1	0.7	-	80.8
Reportable segment assets	2,264.5	626.8	2,891.3	453.7	-	3,345.0
Reportable segment liabilities	(1,387.0)	(199.3)	(1,586.3)	(306.0)	-	(1,892.3)

c) Geographical information

Non-current assets based on geographical location of assets: [1]	2023 $ M	2022 $ M
Australasia	931.7	1,040.0
North America	58.2	43.3
Europe	3.1	3.1
Asia	0.6	0.8
	993.6	**1,087.2**

[1] Excludes derivative financial instruments and deferred tax assets.

1.2 Revenue

Total revenue from external customers	2023 Agribusiness $ M	2023 Processing $ M	2023 Total $ M	2022 Agribusiness $ M	2022 Processing $ M	2022 Total $ M
Reportable segment revenue						
Sale of commodities	5,995.3	-	5,995.3	5,727.4	-	5,727.4
Sale of finished goods	152.4	1,042.6	1,195.0	141.6	1,008.8	1,150.4
Service and other revenue	1,023.8	-	1,023.8	976.2	-	976.2
Rental income	15.0	-	15.0	14.3	-	14.3
External segment revenue	**7,186.5**	**1,042.6**	**8,229.1**	**6,859.5**	**1,008.8**	**7,868.3**
Australasia	2,351.3	944.6	3,295.9	1,920.1	882.7	2,802.8
North America	906.5	-	906.5	727.6	7.9	735.5
Europe	932.7	-	932.7	1,539.1	-	1,539.1
Asia	2,708.1	97.9	2,806.0	2,375.4	118.1	2,493.5
Middle East and North Africa	284.7	-	284.7	294.8	-	294.8
Other	3.2	0.1	3.3	2.5	0.1	2.6
Revenue by location of customer	**7,186.5**	**1,042.6**	**8,229.1**	**6,859.5**	**1,008.8**	**7,868.3**
Revenue recognised at point in time	7,164.3	1,042.6	8,206.9	6,821.7	1,008.8	7,830.5
Revenue recognised over time	22.2	-	22.2	37.8	-	37.8
Total external segment revenue	**7,186.5**	**1,042.6**	**8,229.1**	**6,859.5**	**1,008.8**	**7,868.3**

ACCOUNTING POLICY

Revenue from the sale of goods and services in the ordinary course of activities is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

- **Revenue from sale of commodities** is generated from the trading of bulk commodities overseas and domestically and is recognised at point in time, on the passing of control of goods to the customer in accordance with shipping terms.
- **Revenue from sale of finished goods** is generated from the production and sale of canola oil and other processed goods, and is recognised at point in time, on the passing of control of goods to the customer in accordance with shipping terms.
- **Service, freight and other revenue** is generated through the provision of receival, storage, handling and other services including property rental. Revenue for receival, handling and chartering is recognised at point in time once the service is performed, and for storage and freight over the period service is performed.
- **Rental income** is recognised over time, on a straight-line basis over the lease term in accordance with AASB 16 *Leases*.
- **A contract liability** is recognised for deferred revenue for obligations under sales contract to deliver goods and services in future periods for which payment has already been received, in accordance with AASB 15 *Revenue from Contracts with Customers*.

  Where the period between when payment is received and performance obligations are considered met, is more than 12 months, an assessment will be made for whether a significant financing component is required to be accounted for.

  Deferred revenue liabilities unwind as revenue from contracts with customers, upon settlement of the obligation, and if a significant financing component associated with deferred revenue exists, this will be recognised as interest expense over the life of the contract. All deferred revenue from 2023 will be recognised in the Consolidated Income Statement in 2024 (2022 all recognised in 2023).

1.3 Other income

	Note	2023 $ M	2022 $ M
Net (loss) / gain on derivative / commodity trading:			
Net realised gain / (loss) on financial derivatives		249.3	(265.2)
Net realised loss on foreign currency derivatives		(127.4)	(51.6)
		121.9	**(316.8)**
Net unrealised gain on financial derivatives		15.8	15.9
Net unrealised gain / (loss) on foreign currency derivatives		82.5	(71.2)
Net unrealised (loss) / gain on commodity contracts (forward purchases and sales)	2.6b	(203.8)	134.6
Fair value change on commodity inventories at year end	2.6b	(98.1)	(63.4)
		(203.6)	**15.9**
Net realised loss on crop production contract[2]		(75.9)	(75.9)
Net unrealised loss on fair value of crop production contract	2.6b	(6.5)	(16.9)
		(82.4)	**(92.8)**
Net loss on derivative / commodity trading		**(164.1)**	**(393.7)**
(Loss) / gain on sale of investments and property, plant and equipment		(0.4)	1.3
Net change in fair value of investments[3]		45.8	(23.5)
Dividend income		-	1.3
Interest income		15.0	1.5
Sundry income		16.3	14.6
Total other (loss) / income		**(87.4)**	**(398.5)**

ACCOUNTING POLICY

- **Net gains / losses on financial derivatives and foreign currency derivatives** are recognised in accordance with the policies stated in note 2.6. Income is recognised as realised gain / loss when the underlying sales contract is closed and unrealised when the contract is open at reporting date. Realised gains on financial derivatives and foreign currency derivatives, which typically are utilised to hedge forward contracts or commodity inventory holdings, continue to be reported in other income.
- **Unrealised gains / losses on commodity contracts (forward purchases and sales)** will be recognised through revenue and goods purchased for resale respectively when the contract is executed at which point the gains / losses become realised.
- **Fair value change on commodity inventories** represents the fair value movement between current year and prior year commodity inventory balance and is reported in other income.
- **Interest income** is recognised as it accrues using the effective interest method.
- **Sundry income** is comprised of one-off items not in the course of normal operations such as government grants.

[2] Includes payment on the crop production contract of $70.0m and the annual premium payment of $5.9m, Refer to note 2.6.

[3] In March 2023 United Malt (UMG) announced an indicative proposal had been received to acquire all ordinary shares for $5.00 per share. The scheme of arrangement became effective on 17 October 2023. The net change in fair value of investments reflects appreciation in share price during the year to $4.94 at 30 September 2023 ($3.13 at 30 September 2022). Refer to note 2.3.

1.4 Other expenses

	2023 $ M	2022 $ M
Employee benefits expense		
Defined contribution superannuation	16.5	13.7
Other employee benefits	392.3	368.7
Total employee benefits expense	**408.8**	**382.4**
Other expenses		
Consulting	24.4	17.0
Software maintenance	20.0	16.9
Insurance	19.7	16.8
Rates and taxes	14.1	11.6
Lease expense	12.5	8.6
Research and development	3.2	5.0
Motor vehicle	8.1	7.4
Legal	6.5	4.4
Travel and accommodation	11.0	6.4
Communication	3.7	4.0
Employee related expenses	9.5	5.3
Memberships and subscriptions	3.1	2.9
Other	31.1	24.4
Total other expenses	**166.9**	**130.7**

ACCOUNTING POLICY

- **Employee benefits expense** includes salaries and wages, superannuation contributions, share-based payments and other entitlements. The accounting policy for liabilities associated with employee benefits and share-based payments is contained in Note 3.7 and 5.2 respectively.
- **Lease expense** includes variable lease payments, short term and low value lease payments. These are expensed as incurred. Refer to Note 3.5 for details of AASB 16 *Leases* accounting policy.
- **Other expenses** are miscellaneous and are recognised as incurred.

1.5 Taxation

a) Income tax expense

Income tax expense	2023 $ M	2022 $ M
Income tax expense / (benefit) recognised in consolidated income statement		
Current tax	130.4	159.4
Deferred tax	(10.6)	8.6
Under provision in prior years	1.2	1.7
	121.0	**169.7**
Reconciliation to effective tax rate		
Profit before income tax expense	370.7	550.1
Add: equity accounted loss not subject to taxation	23.4	12.7
Profit subject to tax	**394.1**	**562.8**
Income tax expense calculated at 30% (2022: 30%)	118.2	168.8
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income		
Non-deductible / non-assessable items	1.1	(0.6)
Under provision in prior years	1.2	1.7
Difference in overseas tax rates	0.5	(0.3)
Income tax expense	**121.0**	**169.7**
Effective tax rate[4]	**30.7%**	**30.1%**
Tax expense relating to items of other comprehensive income		
Change in fair value of cash flow hedges	(0.5)	3.3

b) Deferred tax assets and liabilities

Deferred tax assets	2023 $ M	2022 $ M
The balance comprises temporary differences attributable to:		
Tax losses recognised	2.0	1.7
Provisions and accruals	44.0	39.6
Deferred revenue	8.1	11.5
Leases	13.3	15.0
Intangible assets	6.1	5.8
Other	9.2	12.8
Set-off deferred tax liabilities pursuant to set-off provision	(52.8)	(68.1)
Net deferred tax assets	**29.9**	**18.3**
Movements:		
Opening balance at 1 October	18.3	30.3
Recognised in the income statement	11.6	(12.0)
Closing balance at 30 September	**29.9**	**18.3**

[4] Effective tax rate is calculated as the income tax expense divided by profit subject to tax (excluding equity accounted profit / loss).

1.5 Taxation (continued)

Deferred tax liabilities	2023 $ M	2022 $ M
The balance comprises temporary differences attributable to:		
Property, plant and equipment	9.4	8.6
Unrealised gains on derivative contracts	15.3	46.0
Investments	22.7	8.9
Other	5.5	4.7
Set-off deferred tax liabilities pursuant to set-off provision	(52.8)	(68.1)
Net deferred tax liabilities	**0.1**	**0.1**
Movements:		
Opening balance at 1 October	0.1	0.1
Recognised in the income statement	1.0	(3.4)
Recognised in other comprehensive income	(0.5)	3.3
Exchange differences	(0.5)	0.1
Closing balance at 30 September	**0.1**	**0.1**

ACCOUNTING POLICY

› Income taxes

Income tax expense is calculated at the applicable income tax rate for each jurisdiction and recognised in profit for the year, unless it relates to other comprehensive income or transactions recognised directly in equity.

The tax expense comprises both current and deferred tax. Broadly, current tax represents the tax expense paid or payable for the current year, using applicable tax rates at the balance sheet date in each jurisdiction. Deferred tax accounts for tax on temporary differences. Temporary differences generally occur when there is a timing difference in recognition between income and expenses are recognised by tax authorities and accounted for in different periods.

Deferred tax assets, including those arising from tax losses, are recognised to the extent it is probable that sufficient taxable profits will be available to utilise the related tax assets in the foreseeable future. There is no expiry date on the unused tax losses for which no deferred tax asset has been recognised. Deferred tax is not recognised on the following:

- The initial recognition of goodwill
- The initial recognition of assets or liabilities that affect neither accounting nor taxable profits; and
- Differences relating to investments in subsidiaries to the extent that they are probable not to reverse in the foreseeable future.

As the Group is subject to income taxes in Australia and jurisdictions where it has foreign operations, management consider the estimation and recognition of deferred tax balances in the consolidated statement of financial position to be an area of **judgement and estimation**. Changes in circumstances will alter expectations, which may impact the amount of provision for income taxes and deferred tax balances recognised.

› Tax consolidation

GrainCorp Limited is the head entity of the tax consolidated group. The entities in the tax consolidated group have entered a tax sharing agreement which, in the opinion of the Directors, limits the joint and several liability of the wholly owned entities in the case of a default by the head entity. The entities in the tax consolidated group have also entered into a tax funding agreement to fully compensate or be compensated by GrainCorp Limited for current tax balances and the deferred tax assets for unused tax losses and credits transferred.

1.6 Earnings per share

	2023	2022
Earnings per share attributable to owners of GrainCorp Limited		
Basic earnings per share (Cents)	111.7	167.7
Diluted earnings per share (Cents)	111.0	166.6
Weighted average number of ordinary shares - basic	223,459,389	226,896,901
Adjustment for calculation of diluted earnings per share (performance rights)	1,410,140	1,448,705
Weighted average number of ordinary shares - diluted	224,869,529	228,345,607

Basic earnings per share (EPS) is calculated by dividing profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the financial year.

Diluted EPS is calculated by dividing the profit for the year attributable to ordinary shares by the weighted average number of ordinary shares outstanding, after adjusting for the effects of all dilutive potential ordinary shares. Dilutive potential ordinary shares relate to performance rights granted under the GrainCorp Performance Share Rights Plan. The performance rights are included in the calculation of diluted earnings per share. Refer to note 5.2 for additional details on performance rights.

2 Capital and Financial Risk Management

The Group manages its capital to safeguard its ability to maintain an optimal capital structure so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Group's capital consists of core debt, commodity inventory funding and equity. Core debt is calculated as borrowings, net of cash assets and commodity inventory. The capital structure is monitored using the core debt gearing ratio and net debt gearing ratio. The core debt gearing ratio is calculated as core debt divided by core debt plus equity. For the purposes of core debt, commodity inventory is defined as trading grain and oilseed inventories. GrainCorp intends to maintain minimal core debt through-the-cycle. Net debt primarily consists of funding for commodity inventory and the net debt gearing ratio is calculated as net debt divided by net debt plus equity. Net debt fluctuates in line with seasonal working capital requirements.

The capital structure of the Group is continuously monitored. The structure can be changed by adjusting the amount of dividends paid, return capital or issuance of new shares to shareholders. The core debt gearing ratio is as follows:

2.1 Borrowings

	2023 $ M	2022 $ M
Total borrowings	981.7	862.5
Cash and cash equivalents	(609.2)	(322.4)
Net debt	**372.5**	**540.1**
Commodity inventory	(721.7)	(717.1)
Core (cash) / debt	**(349.2)**	**(177.0)**
Total equity	1,591.8	1,452.7
Core (cash) / debt gearing ratio	**(28%)**	**(14%)**

	2023 $ M	2022 $ M
Current		
Commodity inventory funding facilities - secured	781.5	626.1
Working capital - unsecured	50.2	86.4
Total current borrowings	**831.7**	**712.5**
Non-current		
Term debt facilities - unsecured	150.0	150.0
Total non-current borrowings	**150.0**	**150.0**

ACCOUNTING POLICY

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest method.

a) Assets pledged as security

The carrying amounts of assets pledged as security for borrowings is $710.5m (2022: $569.2m).

Inventory funding facilities are secured against the related inventory. The Group's secured inventory balance is GST exclusive.

Loans under term and working capital funding facilities are secured by a negative pledge and these facilities provide the related entities in the Group that are party to the pledge the flexibility in funding their respective liquidity requirements as needed. The facilities impose certain financial covenants on the Group. All covenant ratios have been complied with during the financial year.

2.1 Borrowings (continued)

b) Financing arrangements

Borrowings under the following Group debt facilities as at the date of this report and amounts drawn at year end:

2023	As at 10 November 2023 Maturity date	Principal facility amount $ M	As at 30 September 2023 Amount utilised $ M
Term debt	March 2025	150.0	150.0
Commodity inventory funding[5]	November 2024	2,002.0	781.5
Working capital[6]	November 2024	350.0	50.2
Working capital	December 2023	15.5	-
Total financing arrangements		**2,517.5**	**981.7**

2022	As at 11 November 2022 Maturity date	Principal facility amount $ M	As at 30 September 2022 Amount utilised $ M
Term debt	March 2025	150.0	150.0
Commodity inventory funding	November 2023	2,271.5	626.1
Working capital	November 2023	545.0	79.2
Working capital	December 2023	15.6	7.2
Total financing arrangements		**2,982.1**	**862.5**

[5] The maturity date and principal facility amount for the inventory funding facility is as at 10 November 2023. Subsequent to balance date, the maturity date was extended from November 2023 to November 2024 and the principal facility amount changed from $2,272 million to $2,002 million. This facility is renewed subsequent to balance date each year to align with the seasonal requirements of the Group.

[6] The maturity date and principal facility amount for the working capital facility is as at 10 November 2023. Subsequent to balance date, the maturity date was extended from November 2023 to November 2024 and the principal facility amount changed from $545 million to $350 million.

2.2 Cash and cash equivalents

	2023 $ M	2022 $ M
Cash at bank and on hand	167.2	146.4
Deposits at call	442.0	176.0
Total cash and cash equivalents	**609.2**	**322.4**

ACCOUNTING POLICY

Cash and cash equivalents includes cash on hand, deposits held at call with banks and short-term investments with maturities of three months or less.

a) Reconciliation of profit after income tax to net cash flow from operating activities

	Note	2023 $ M	2022 $ M
Profit for the year		**249.7**	**380.4**
Net loss / (profit) on sale of non-current assets	1.3	0.4	(1.3)
Non-cash employee benefits expense – share-based payments	5.2	3.9	4.3
Share of results of joint ventures not received as dividends	4.4	23.4	12.7
Depreciation and amortisation		116.9	117.3
Impairment expense	3.3 & 3.5	19.2	-
Net change in fair value of investments	1.3	(45.8)	23.5
		367.7	**536.9**
Changes in operating assets and liabilities:			
Decrease / (increase) in inventories (net of inventory funding facilities)		185.0	(79.8)
(Increase) / decrease in deferred tax		(12.1)	12.0
Decrease / (increase) in derivatives		107.0	(58.3)
Decrease / (increase) in receivables		5.4	(119.5)
Increase in trade payables		7.0	7.3
(Derease) / increase in other liabilities		(31.0)	28.3
Increase in provisions		17.6	2.3
(Decrease) / increase in provision for income tax		(71.3)	114.5
Net cashflows from operating activities		**575.3**	**443.7**

b) Net debt reconciliation

	Operating activities	Financing activities			
	Cash and cash equivalents $ M	Inventory funding facilities $ M	Short-term facilities $ M	Term funding facilities $ M	Total $ M
Net debt as at 30 September 2021	**(126.6)**	**514.3**	**61.5**	**150.0**	**599.2**
Cash flows	(195.8)	111.8	24.3	-	(59.7)
Foreign exchange movements	-	-	0.6	-	0.6
Net debt as at 30 September 2022	**(322.4)**	**626.1**	**86.4**	**150.0**	**540.1**
Cash flows	(286.8)	155.4	(35.8)	-	(167.2)
Foreign exchange movements	-	-	(0.4)	-	(0.4)
Net debt as at 30 September 2023	**(609.2)**	**781.5**	**50.2**	**150.0**	**372.5**

2.3 Contributed equity

	2023		2022	
Consolidated and Company	Number	$ M	Number	$ M
Fully paid ordinary shares	224,336,997	527.9	223,650,650	522.8
Less: Treasury shares	(103,724)	(0.8)	(767,548)	(6.2)
Total consolidated contributed equity	**224,233,273**	**527.1**	**222,883,102**	**516.6**

Movements in ordinary share capital of the Company during the past two years were as follows:

	Details	Total number of shares	Ordinary share capital $ M
30-Sep-21	Balance brought forward	223,650,650	570.6
30-Sep-22	Total contributed equity - Company	222,883,102	516.6
	Treasury shares	663,824	5.4
	Share issue	686,347	5.1
30-Sep-23	**Total consolidated contributed equity**	**224,233,273**	**527.1**

Ordinary shares

Ordinary shares issued are classified as equity and are fully paid, have no par value, carry one vote per share and the right to dividends.

Treasury shares

Treasury shares are shares in GrainCorp Limited that are held by the GrainCorp Employee Share Ownership Plan Trust (Trust) for the purpose of issuing shares under employee share plans including: the GrainCorp Long-term Incentive Plan and the GrainCorp Deferred Equity Plan (refer to note 5.2 for further information). Shares acquired by the Trust are consolidated and shown as a deduction from equity.

2.4 Dividends and other shareholder distributions

	2023 $ M	2022 $ M
Dividends paid in the year:		
Final fully franked dividend for the year ended 30 September 2022 of 14 cents (2021: 10 cents)	31.3	22.9
Final special franked dividend for the year ended 30 September 2022 of 16 cents (2021:nil)	35.8	-
Interim fully franked dividend for the half-year ended 31 March 2023 of 14 cents (2022: 12 cents)	31.3	26.8
Interim special franked dividend for half-year ended 31 March 2023 of 10 cents (2022: 12 cents)	22.4	26.8
Total dividends paid	**120.8**	**76.5**

Dividend not recognised at year end

Since the year end the Directors have approved the payment of a final dividend, expected to be paid on 14 December 2023.

Final fully franked dividend for the year ended 30 September 2023 of 14 cents (2022: 14 cents)	31.4
Final special franked dividend for the year ended 30 September 2023 of 16 cents (2022: 16 cents)	35.9

Other shareholder distributions

In November 2023, the Directors announced an on-market share buy-back of up to $50 million.

2.4 Dividends and other shareholder distributions (continued)

Franking credits available

	2023 $ M	2022 $ M
Franking credits available for the subsequent financial year	164.0	15.0

The franking credits available to the Group at 30 September 2023, after allowing for Australian tax payable in respect of the current reporting periods profit, and the receipt of dividends recognised as a receivable at reporting date are $164.0 million.

The franking account balance fluctuates during the year as a result of the timing of income tax instalment and dividend payments. The impact on the franking account of the dividend approved by the Directors since year end, but not recognised as a liability at year end, will be $28.8 million.

2.5 Commitments and guarantees

a) Financial commitments

	2023 $ M	2022 $ M
Capital expenditure commitments		
Total capital expenditure contracted for at the reporting date but not provided for in payables:		
- Not later than one year	17.9	19.1
Total capital expenditure commitments	**17.9**	**19.1**

b) Financial guarantees

Financial guarantees are provided by Group entities as follows:

i. GrainCorp Operations Limited was a self-insurer for workers' compensation in NSW up to 29 June 2006. As required by the NSW workers' compensation self-insurance licensing requirements, a bank guarantee in favour of the WorkCover Authority NSW for $0.3 million (2022: $0.3 million) is in place, representing an actuarial assessment of the contingent liability arising from past self-insurance for periods prior to 29 June 2006.

ii. The Group enters into guarantees as part of the normal course of business. At 30 September 2023, these guarantees amounted to $109.4 million (2022: $142.9 million). This includes a guarantee of $83.3 million (2022: $127.3 million) specific to the Crop Production Contract. The Directors do not believe any claims will arise in respect of these guarantees.

iii. GrainCorp and the wholly owned entities listed in note 4.1 are parties to a deed of cross guarantee as described in note 4.2. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees, to each creditor, payment in full of any debt in accordance with the deed of cross guarantee.

iv. The Group has a guarantee of $125.0 million (2022: $96.5 million) specific to GrainsConnect Canada Operations Inc. The Directors do not believe any claims will arise in respect of this guarantee.

No liability was recognised by the Group in relation to these guarantees as the fair value of the guarantees is considered immaterial.

2.6 Financial instruments and risk management

The Group's treasury function is responsible for managing the liquidity requirements of the Group and mitigating any financial risks relating to the Group's operations through continuous monitoring and evaluation. These financial risks include:

- **Market risk** (refer to note 2.6.c)
- **Liquidity risk** (refer to note 2.6.e)
- **Credit risk** (refer to note 2.6.f)

The Group adheres to a set of policies approved by the Board of Directors which provides written principles on interest rate risk, liquidity risk, counter party credit risk, foreign currency risk and commodity trading risk including the setting of limits for derivatives trading. The Group treasury function reports on its compliance with the policy on a regular basis to the Audit and Risk Committee and Board of Directors. This compliance is reviewed periodically by its internal auditors.

The Group's financial instruments comprise cash, short term deposits, receivables, loans, payables and derivative financial instruments. The Group uses derivative financial instruments to manage its exposure to financial risks arising from operating, financing and investing activities.

a) Classification of financial instruments

GrainCorp classifies its financial instruments into categories in accordance with AASB 9 *Financial instruments* depending on the purpose for which the financial instruments were acquired, which is determined at initial recognition based on the business model.

	2023 $ M	2022 $ M
Financial assets at amortised cost		
Cash and cash equivalents	609.2	322.4
Trade and other receivables	587.3	559.0
Financial assets at fair value through profit and loss		
Investments in other entities	140.4	84.6
Derivative financial instruments	206.6	417.7
Other receivables	2.0	-
Financial assets at fair value through other comprehensive income		
Derivative financial instruments	5.1	11.6
Financial liabilities at amortised cost		
Trade and other payables	286.5	278.6
Borrowings at amortised cost	981.7	862.5
Financial liabilities at fair value through profit and loss		
Derivative financial instruments	178.3	284.3
Financial liabilities at fair value through other comprehensive income		
Derivative financial instruments	1.8	6.4

2.6 Financial instruments and risk management (continued)

b) Fair value measurement

The following table presents the Group's financial assets and liabilities measured and recognised at fair value:

30 September 2023	Level 1 $ M	Level 2 $ M	Level 3 $ M	Total $ M
Current assets				
Derivative financial instruments – fair value through profit and loss				
Commodity futures and options	36.6	-	-	36.6
Commodity contracts (forward purchases and sales)	-	-	161.1	161.1
Foreign currency derivatives	-	5.8	-	5.8
Derivative financial instruments – cash flow hedge				
Foreign currency derivatives	-	2.2	-	2.2
Total current derivative financial instrument assets	**36.6**	**8.0**	**161.1**	**205.7**
Investments at fair value	125.6	-	-	125.6
Commodity inventory at fair value less costs to sell (note 3.2)	-	-	565.9	565.9
Total current financial assets	**162.2**	**8.0**	**727.0**	**897.2**
Non-current assets				
Derivative financial instruments – fair value through profit and loss				
Commodity futures and options	3.1	-	-	3.1
Commodity contracts (forward purchases and sales)	-	-	-	-
Derivative financial instruments – cash flow hedge				
Interest rate swap contracts	-	2.9	-	2.9
Other financial assets				
Receivables held at fair value (note 3.1)	-	-	2.0	2.0
Investments at fair value	-	-	14.8	14.8
Total non-current financial assets	**3.1**	**2.9**	**16.8**	**22.8**
Current liabilities				
Derivative financial instruments – fair value through profit and loss				
Commodity futures and options	4.8	5.7	-	10.5
Commodity contracts (forward purchases and sales)	-	-	111.4	111.4
Foreign currency derivatives	-	32.3	-	32.3
Derivative financial instruments – cash flow hedge				
Foreign currency derivatives	-	1.8	-	1.8
Total current financial liabilities	**4.8**	**39.8**	**111.4**	**156.0**
Non-current liabilities				
Derivative financial instruments – fair value through profit and loss				
Commodity futures and options	0.8	-	-	0.8
Commodity contracts (forward purchases and sales)	-	-	0.2	0.2
Crop production contract	-	-	23.1	23.1
Total non-current financial liabilities	**0.8**	**-**	**23.3**	**24.1**

2.6 Financial instruments and risk management (continued)

30 September 2022	Level 1 $ M	Level 2 $ M	Level 3 $ M	Total $ M
Current assets				
Derivative financial instruments – fair value through profit and loss				
Commodity futures and options	46.8	-	-	46.8
Commodity contracts (forward purchases and sales)	-	-	339.2	339.2
Foreign currency derivatives	-	29.7	-	29.7
Derivative financial instruments – cash flow hedge				
Foreign currency derivatives	-	7.0	-	7.0
Interest rate swap contracts	-	1.0	-	1.0
Total current derivative financial instrument assets	**46.8**	**37.7**	**339.2**	**423.7**
Commodity inventory at fair value less costs to sell (note 3.2)	-	-	583.8	583.8
Total current financial assets	**46.8**	**37.7**	**923.0**	**1,007.5**
Non-current assets				
Derivative financial instruments – fair value through profit and loss				
Commodity futures and options	1.6	-	-	1.6
Commodity contracts (forward purchases and sales)	-	-	0.4	0.4
Derivative financial instruments – cash flow hedge				
Interest rate swap contracts	-	3.6	-	3.6
Investments in other entities				
Investments at fair value	79.6	-	5.0	84.6
Total non-current financial assets	**81.2**	**3.6**	**5.4**	**90.2**
Current liabilities				
Derivative financial instruments – fair value through profit and loss				
Commodity futures and options	26.6	2.6	-	29.2
Commodity contracts (forward purchases and sales)	-	-	92.3	92.3
Foreign currency derivatives	-	143.3	-	143.3
Derivative financial instruments – cash flow hedge				
Foreign currency derivatives	-	6.4	-	6.4
Total current financial liabilities	**26.6**	**152.3**	**92.3**	**271.2**
Non-current liabilities				
Derivative financial instruments – fair value through profit and loss				
Commodity futures and options	2.3	-	-	2.3
Commodity contracts (forward purchases and sales)	-	-	0.6	0.6
Crop production contract	-	-	16.6	16.6
Total non-current financial liabilities	**2.3**	**-**	**17.2**	**19.5**

2.6 Financial instruments and risk management (continued)

ACCOUNTING POLICY

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered. Subsequently, at each reporting date, the gain or loss on remeasurement to fair value is recognised immediately in the Consolidated Income Statement, unless they qualify for hedge accounting as outlined in AASB 9 *Financial Instruments.*

The Group enters into certain **cash flow hedges** to hedge exposure to variability in cash flows that are attributable to the risk associated with the cash flows of recognised assets or liabilities and highly probable forecast transactions caused by interest rate and foreign currency movements. The Group's cash flow hedges include:

- Interest rate swap contracts
- Forward foreign exchange contracts

When a derivative financial instrument is designated as a cash flow hedge, the effective part of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in Consolidated Income Statement, within other income/loss.

Amounts accumulated in equity are reclassified to the Consolidated Income Statement in the periods when the hedged item affects profit or loss.

When a hedging instrument expires, or is sold, terminated or exercised, but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss accumulated in equity is reclassified immediately into the Consolidated Income Statement.

The Group's derivative instruments are measured at fair value at the end of each reporting period. Derivative instruments are grouped into Levels 1 to 3 based on the degree to which fair value measurement inputs are observable. The fair value of derivative instruments has been determined as follows;

- **Level 1** financial instruments held by the Group are instruments which are traded on an active market. The fair value of these financial instruments is the quoted market settlement price on the reporting date.
- **Level 2** financial instruments held by the Group are financial instruments that are not traded on an active market. The fair value is determined using valuation techniques which maximise observable market data and rely as little as possible on entity-specific estimates.
- **Level 3** financial instruments do not have quoted market prices available. If one or more of the significant inputs is not based on observable market data, the instrument is level 3. The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. Management considers the valuation of these financial instruments to be an area of **judgement and estimation**.

2.6 Financial instruments and risk management (continued)

Investment in other entities

The Group has an interest in United Malt Group (UMG) which is a listed entity on the Australian Stock Exchange. The Group's interest in UMG is recognised within investments in other entities in the Consolidated Statement of Financial Position. The fair value of the Group's interest, determined by reference to the closing share price on 30 September 2023, was $125.6 million (FY22: $79.6 million). In March 2023 UMG announced an indicative proposal had been received to acquire all ordinary shares for $5.00 per share. The valuation at 30 September 2023 is based on a closing share price of $4.94.

On 17 October 2023 the Federal Court of Australia approved the scheme of arrangement by which Malteries Soufflet SAS will acquire all of the ordinary shares in UMG.

Fair value measurements using significant unobservable inputs (Level 3)

There were no transfers between fair value hierarchy levels during the year. The following table presents a reconciliation of the carrying value of Level 3 instruments and the movement recognised in the profit and loss during the year:

	2023			2022		
	Commodity contracts $ M	Commodity inventory at fair value $ M	Crop production contract $ M	Commodity contracts $ M	Commodity inventory at fair value $ M	Crop production contract $ M
Opening balance as at 1 October	**246.7**	**583.8**	**(16.6)**	**114.5**	**477.2**	**0.3**
Fair value gain / (loss) recognised	(203.8)	(98.1)	(6.5)	134.6	(63.4)	(16.9)
Net acquisitions / (disposals)	6.6	80.2	-	(2.4)	170.0	-
Closing balance as at 30 September	**49.5**	**565.9**	**(23.1)**	**246.7**	**583.8**	**(16.6)**

Valuation inputs and relationships to fair value

The following summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

- **Commodity contracts and commodity inventory at fair value:** the fair values are calculated by amending market price values obtained from traders and brokers for location and grade differentials. The sensitivity analysis shows the impact on post tax profit if commodity prices changed by 20%. The 20% movement is calculated over the market value amount of the net exposure of the commodity physical and derivative contracts.

	2023 $ M	2022 $ M
Fair value of derivatives and physical inventory	643.8	847.4
Net effect of a 20% appreciation in price on post-tax profit or loss	8.2	2.3
Net effect of a 20% depreciation in price on post-tax profit or loss	(8.2)	(2.3)

- **Crop production contract:** the fair value of the crop production contract is determined using a valuation model which estimates future cash flows from the contract, discounted to present value. Future cash flows are determined by applying the crop production contract terms to estimated crop production levels for the remainder of the contract term. The fair value calculation is highly subjective given the degree of uncertainty in forecasting future weather patterns and crop production levels accurately. The fair value uses the following inputs:
  - Cash flows are determined using the crop production contract terms
    - GrainCorp receives a payment of $15 per tonne for each tonne of actual ECA winter crop production in any given year which is below the lower production threshold of 15.3 million tonnes (annual maximum of $80 million).
    - GrainCorp pays a fixed payment of $15 per tonne for each tonne above the upper production threshold of 19.3 million tonnes (annual maximum of $70 million).
    - An aggregate net limit of payments to either GrainCorp or the counterparty of $270 million over the contract term. The current accumulative net position is $152 million paid to the counterparty. An annual premium is also payable.
  - Historical crop production data published by the Australian Bureau of Agricultural and Resource Economics (ABARES).
  - Forecast ABARES data is not included in the valuation due to the uncertainty of crop production outcomes. The current ABARES' September 2023 ECA winter crop forecast for 2023-24 is 20.8mmt.
  - Estimated future production growth rates and probabilities are derived from historical crop production data.
  - Risk-adjusted discount rate based on the applicable zero-coupon AUD overnight index swap curve.

2.6 Financial instruments and risk management (continued)

The initial fair value of the crop production contract was estimated as $104.5m (asset) in 2019. In accordance with AASB 9, the initial fair value was not recognised in the Consolidated Income Statement as unobservable data points (as indicated above) were used for the initial fair value measurement. On subsequent measurement the deferred difference is recognised as a gain or loss in the income statement on a systematic basis over the life of the contract.

Derivative asset valuation gains / losses will be recognised in the income statement at the point-in-time when the valuation model inputs change. GrainCorp expects that this would occur over the life of the contract once historical ABARES crop production data becomes publicly available for each given year, and as such the deferred amount will be recognised in the income statement annually. The fair value of the crop production contract is disclosed in the table below.

Production payments / receipts are determined based on actual ABARES production in any given year only. The realised gain / loss can range between the following:

- $74m realised gain (based on the annual maximum receipt of $80 million, less annual premium of $6m)
- $76m realised loss (based on the annual maximum payment of $70 million, plus annual premium of $6m).

There were no significant inter-relationships between unobservable inputs that materially affect fair value. There is a bank guarantee in place amounting to $83.3 million (2022: $127.3 million) as disclosed in note 2.5.

Fair value of crop production contract using unobservable data	2023 $ M	2022 $ M
Fair value of crop production derivative recognised in the statement of financial position	39.6	56.6
Deferred difference on initial fair value netted off in the statement of financial position	(62.7)	(73.2)
Net position as presented in the consolidated statement of financial position	**(23.1)**	**(16.6)**

c) Market risk

The Group's activities expose it to the financial risks of changes in (i) commodity prices, (ii) foreign currency and (iii) interest rates.

Commodity price risk

Commodity price risk arises due to grain and edible oil price fluctuations impacting on the value of commodity forward purchase and sales contracts written by the Group as part of its grain, meal and edible oil marketing activities. The Group's policy is to lock in favourable margins between the purchase and sale price of commodities, but differences in the timing of entering into these contracts create an exposure to commodity price risk. To manage exposure to this risk, the Group enters into various exchange traded commodity derivative contracts (futures and options) as well as OTC contracts with terms between two and 24 months. These contracts are predominantly in Australia, New Zealand, US, Canada and Europe based financial markets and denominated in the currencies of those jurisdictions.

The Group enters into forward physical purchase and sales contracts along with commodity derivative contracts to manage the underlying price risks in the purchase of raw materials for oils production and the subsequent sale of oils products. These contracts are entered into and continue to be held for the purpose of delivery of raw materials and subsequent sale of processed oils and are therefore classified as non-derivative and not fair valued.

Foreign currency risk

The Group has exposure to movement in exchange rates through:

- Commodity futures denominated in foreign currency
- Export contracts for the sale of grain, edible oils and meal denominated in foreign currency
- Sale or purchase of edible oils and raw materials in foreign currency
- Translation of net investments in foreign subsidiaries denominated in foreign currencies.

To manage exposure to this risk, the Group enters into forward exchange contracts, foreign currency options and swap contracts, with the contracted time to mature when the relevant underlying contracts expire.

Expressed in Australian Dollars, the following table indicates exposure and sensitivity to movements in exchange rates on the profit or loss and equity of the Group, based on the global currency exposures at 30 September. The tables are based upon the Group's financial asset and liability profile at 30 September, which fluctuates over the course of normal operations.

2.6 Financial instruments and risk management (continued)

2023	Exposure at reporting date $ M	Impact on profit / (loss) after tax $ M		Impact on other components of equity $ M	
Movement in exchange rate		**10%**	**-10%**	**10%**	**-10%**
US Dollar	110.5	7.7	(7.7)	-	-
Canadian Dollar	0.4	-	-	-	-
UK Pound Sterling	6.6	0.7	(0.7)	(0.3)	0.3
Euro	(16.5)	(1.2)	1.2	-	-
New Zealand Dollar	(4.2)	-	-	(0.3)	0.3
Total	**96.8**	**7.2**	**(7.2)**	**(0.6)**	**0.6**

2022	Exposure at reporting date $ M	Impact on profit / (loss) after tax $ M		Impact on other components of equity $ M	
Movement in exchange rate		**10%**	**-10%**	**10%**	**-10%**
US Dollar	203.1	14.2	(14.2)	-	-
Canadian Dollar	(20.5)	(1.4)	1.4	(0.1)	0.1
UK Pound Sterling	1.7	(0.1)	0.1	0.2	(0.2)
Euro	(15.7)	(1.1)	1.1	-	-
New Zealand Dollar	(40.7)	(2.4)	2.4	(0.4)	0.4
Total	**127.9**	**9.2**	**(9.2)**	**(0.3)**	**0.3**

d) Interest rate risk

The Group has exposure to interest rate risk as it borrows funds at both fixed and floating interest rates. The risk is managed by maintaining between 40% and 75% of long-term borrowings at fixed rates through the use of interest rate swap contracts.

Under interest rate swap contracts, the Group is entitled to receive interest at variable rates and is obliged to pay interest at fixed rates. The contracts require settlement of net interest receivable or payable at each reset period. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

At 30 September 2023, after taking into account the effect of interest rate swap contracts, approximately 40% ($60.0 million) of the Group's long-term borrowings are at a fixed rate of interest (2022: 40%, $60.0 million).

The Group continuously monitors its interest rate exposure with consideration given to cash flows impacting on rollovers and repayments of debt, alternative hedging instruments and the mix of fixed and variable interest rates.

At balance date, the Group had the following mix of financial liabilities with interest at variable rates:

	2023		2022	
	Weighted average interest rate %	**Balance $ M**	**Weighted average interest rate %**	**Balance $ M**
Current				
Short-term facilities	6.27%	(50.2)	4.24%	(86.4)
Inventory funding facilities	5.10%	(781.5)	3.38%	(626.1)
Interest rate swaps (notional principal amount)	-	-	0.38%	60.0
Non-current				
Term facilities	5.60%	(150.0)	3.63%	(150.0)
Interest rate swaps (notional principal amount)	1.08%	60.0	-	-
Net exposure to cash flow interest rate risk	**5.58%**	**(921.7)**	**3.59%**	**(802.5)**

2.6 Financial instruments and risk management (continued)

Interest rate sensitivity analysis

At balance date, if interest rates had moved as illustrated in the table below, with all other variables held constant, profit and equity would have been affected as follows:

	2023		2022	
	Profit / (loss) $ M	**Increase / (decrease) in equity $ M**	**Profit / (loss) $ M**	**Increase / (decrease) in equity $ M**
+ 100 basis points	(3.1)	0.6	(4.8)	0.6
– 100 basis points	3.1	(0.6)	4.8	(0.6)

e) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and committed available credit facilities. The Group manages liquidity risk by regularly monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Group treasury aims at maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties. At balance date, the Group had approximately $718.8 million (2022: $739.9 million) of unused credit facilities available for immediate use.

The tables below show the contractual maturities of financial liabilities (lease liabilities cash flows have been disclosed in Note 3.5). Cash outflows associated with bank borrowings are inclusive of principal and interest including estimated interest payments. The amounts disclosed in the table are the contractual undiscounted cash flows.

30 September 2023	Carrying Value $ M	Total $ M	Less than 1 year $ M	Between 1 and 2 years $ M	Between 2 and 5 years $ M
Non-derivatives:					
Borrowings	(981.7)	(1,000.2)	(837.6)	(162.6)	-
Trade payables	(189.4)	(189.4)	(189.4)	-	-
Other payables	(97.1)	(97.1)	(96.5)	(0.6)	-
Derivatives:					
Foreign currency derivatives					
(Outflow)	(34.1)	(924.3)	(924.3)	-	-
Inflow		890.2	890.2	-	-
Commodity futures and options:					
(Outflow)	(11.3)	(11.3)	(10.5)	(0.8)	-
Inflow		-	-	-	-
Commodity contracts (forward purchases and sales):					
(Outflow)	(111.6)	(899.6)	(898.8)	(0.8)	-
Inflow		788.0	787.4	0.6	-

2.6 Financial instruments and risk management (continued)

30 September 2022	Carrying Value $ M	Total $ M	Less than 1 year $ M	Between 1 and 2 years $ M	Between 2 and 5 years $ M
Non-derivatives:					
Borrowings	(862.5)	(864.9)	(712.7)	-	(152.2)
Trade payables	(176.2)	(176.2)	(176.2)	-	-
Other payables	(112.4)	(112.4)	(112.2)	(0.2)	-
Derivatives:					
Foreign currency derivatives					
(Outflow)	(149.7)	(1,818.3)	(1,818.3)	-	-
Inflow		1,668.6	1,668.6	-	-
Commodity futures and options:					
(Outflow)	(31.5)	(31.5)	(29.5)	(2.0)	-
Inflow		-	-	-	-
Commodity contracts (forward purchases and sales):					
(Outflow)	(92.9)	(1,140.1)	(1,112.7)	(27.4)	-
Inflow		1,047.2	1,020.4	26.8	-

f) Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. GrainCorp employs credit policies which include monitoring exposure to credit risk on an ongoing basis through management of concentration risk and ageing analysis. The Group is exposed to credit risk from its operating activities and financing activities. The Group's maximum exposure for credit risk is the carrying amount of all trade and other receivables, receivables from joint ventures, derivative asset balances, margin deposits and cash assets as set out in the Consolidated Statement of Financial Position.

Trade receivables

The credit risk on trade and other receivables which has been recognised on the Consolidated Statement of Financial Position is the carrying amount of trade debtors, net of allowances for impairment and further disclosed in note 3.1. The Group minimises credit risk associated with trade and other receivables by performing a credit assessment for all customers that wish to trade on credit terms. Credit limits are determined for each individual customer based on their credit assessment. These limits are approved under the credit policy that is approved by the Board. At 30 September 2023, 98% (2022: 99%) of trade receivables are due within 30 days and the Group does not have any significant credit risk exposure to a single customer or group of customers.

Financial instruments and cash deposits

To minimise the credit exposure to financial institutions that are counterparties to derivative contracts and cash, the Group has a panel of authorised counterparties who are principally large banks and recognised financial intermediaries with acceptable credit ratings determined by a ratings agency. The Group's net exposure and credit assessment of its counterparties are continuously monitored to ensure any risk is minimised.

The Group may also be subject to credit risk for transactions that are not included in the Consolidated Statement of Financial Position, such as when a guarantee is provided for another party.

2.6 Financial instruments and risk management (continued)

g) Offsetting financial assets and liabilities

Agreements with derivative counterparties are based on an International Swaps and Derivatives Association (ISDA) Master Netting Agreement. Under the terms of these agreements, only where certain credit events occur (such as default), the net position owing / receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated and then offset.

The ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because the Group does not have any legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default on the bank loans or other credit events.

The following table presents the recognised financial instruments that are offset, or subject to offsetting arrangements mentioned above:

30 September 2023	Gross amounts $ M	Gross amount offset $ M	Net amount in statement of financial position $ M	Amounts that are not offset $ M	Net amount $ M
Financial assets					
Cash and cash equivalents	609.2	-	609.2	-	609.2
Trade and other receivables	620.6	-	620.6	-	620.6
Derivative financial instruments	214.8	(3.1)	211.7	(23.7)	188.0
Total assets	**1,444.6**	**(3.1)**	**1,441.5**	**(23.7)**	**1,417.8**
Financial liabilities					
Trade and other payables	285.9	-	285.9	-	285.9
Derivative financial instruments	183.8	(3.1)	180.7	(23.7)	157.0
Total liabilities	**469.7**	**(3.1)**	**466.6**	**(23.7)**	**442.9**

30 September 2022	Gross amounts $ M	Gross amount offset $ M	Net amount in statement of financial position $ M	Amounts that are not offset $ M	Net amount $ M
Financial assets					
Cash and cash equivalents	322.4	-	322.4	-	322.4
Trade and other receivables	630.2	-	630.2	-	630.2
Derivative financial instruments	443.1	(13.8)	429.3	(81.8)	347.5
Total assets	**1,395.7**	**(13.8)**	**1,381.9**	**(81.8)**	**1,300.1**
Financial liabilities					
Trade and other payables	278.6	-	278.6	-	278.6
Derivative financial instruments	304.5	(13.8)	290.7	(81.8)	208.9
Total liabilities	**583.1**	**(13.8)**	**569.3**	**(81.8)**	**487.5**

3 Operating Assets and Liabilities

This section shows the assets used to generate the Group's trading performance and liabilities incurred as a result. Liabilities relating to the Group's financing activities are addressed in Section 2. Capital and Financial Risk Management.

3.1 Trade and other receivables

Current	2023 $ M	2022 $ M
Trade receivables	463.7	451.3
Allowance for impairment	(4.8)	(2.5)
	458.9	**448.8**
GST receivables	99.6	94.4
Prepayments	23.9	13.3
Margin deposits	34.6	47.4
Other receivables	3.6	5.1
Loans to related parties (note 4.5)	-	21.2
Total current trade and other receivables	**620.6**	**630.2**

Non-current	2023 $ M	2022 $ M
Receivables held at fair value	2.0	-
Total non-current trade and other receivables	**2.0**	**-**

ACCOUNTING POLICY

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are generally due for settlement within 30 days. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. GrainCorp holds trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group applies the simplified approach to provision for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade and other receivables. Under this method, determination of the loss allowance provision and expected loss rate incorporates past experience and forward-looking information.

GrainCorp considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period, in addition to reviewing historical bad debt provision balances and write offs in accordance with AASB 9.

As at 30 September 2023 the Group has recognised an **allowance for impairment** for $4.8 million (2022: $2.5 million) based on the expected credit loss model. Refer to note 2.6 for details of the Group's credit exposures.

Receivables held are fair value are financial assets at fair value through profit or loss (FVPL). These assets do not qualify for measurement at either amortised cost or FVOCI.

3.2 Inventories

	2023 $ M	2022 $ M
Raw materials	146.0	152.0
Work in progress	14.6	14.9
Finished goods	27.2	36.6
Trading stock	74.2	70.2
Commodity inventory at fair value less cost to sell	565.9	583.8
Total inventories	**827.9**	**857.5**

Inventory expense

Write-downs of inventories to net realisable value recognised as an expense during the year ended 30 September 2023 amounted to $0.2 million (2022: $0.3 million). The expense is included in other expenses in the Consolidated Income Statement.

ACCOUNTING POLICY

Inventories are valued at lower of cost and net realisable value unless stated otherwise. Net realisable value is the estimated selling price less variable selling expenses. The method used to determine costs for inventory categories are:

- **Raw materials:** Purchase price of the goods.
- **Finished goods and work in progress:** Purchase price of raw materials, direct labour, other direct costs and production overheads.
- **Trading stock:** Purchase price of direct materials and a portion of variable overhead assigned on a weighted average basis.
- **Commodity inventory:** Grain inventory acquired with the purpose of selling in the near future and generating a profit from fluctuation in price or broker-traders' margin, is measured at fair value less costs to sell, with changes in fair value recognised in the Consolidated Income Statement.

3.3 Property, plant and equipment

	Land $ M	Buildings & structures $ M	Leasehold improvements $ M	Plant & equipment $ M	Capital works in progress $ M	Total $ M
At 30 September 2021						
Cost	57.1	308.6	26.6	1,273.5	50.6	1,716.4
Accumulated depreciation and impairment	(1.0)	(210.2)	(19.9)	(817.2)	-	(1,048.3)
Net book value	**56.1**	**98.4**	**6.7**	**456.3**	**50.6**	**668.1**
Movement						
Transfer to assets held for sale	(0.1)	-	-	-	-	(0.1)
Transfer between asset categories	0.4	21.0	-	15.7	(37.1)	-
Additions	-	0.6	-	4.2	71.1	75.9
Depreciation	-	(22.3)	(0.9)	(52.5)	-	(75.7)
Exchange differences	-	-	-	(2.2)	(0.1)	(2.3)
Disposals	(0.1)	-	-	(2.0)	-	(2.1)
Closing net book value	**56.3**	**97.7**	**5.8**	**419.5**	**84.5**	**663.8**
At 30 September 2022						
Cost	57.3	330.2	26.6	1,289.2	84.5	1,787.8
Accumulated depreciation and impairment	(1.0)	(232.5)	(20.8)	(869.7)	-	(1,124.0)
Net book value	**56.3**	**97.7**	**5.8**	**419.5**	**84.5**	**663.8**
Movement						
Transfer to assets held for sale	(0.1)	-	-	-	-	(0.1)
Transfer between asset categories	1.0	24.7	1.1	40.7	(67.5)	-
Additions	-	0.2	-	3.7	58.3	62.2
Depreciation	-	(23.9)	(1.0)	(51.9)	-	(76.8)
Impairment	-	-	(0.4)	(10.7)	-	(11.1)
Exchange differences	-	-	-	1.4	0.1	1.5
Disposals	(0.1)	-	-	(0.2)	(0.1)	(0.4)
Closing net book value	**57.1**	**98.7**	**5.5**	**402.5**	**75.3**	**639.1**
At 30 September 2023						
Cost	58.1	355.1	27.7	1,334.8	75.3	1,851.0
Accumulated depreciation and impairment	(1.0)	(256.4)	(22.2)	(932.3)	-	(1,211.9)
Net book value	**57.1**	**98.7**	**5.5**	**402.5**	**75.3**	**639.1**

Treatment of inactive sites

From time to time, the GrainCorp decides to close or suspend operations at certain sites based on consideration of market and other relevant factors. These sites can become operational in future periods. Impairment assessments are conducted for these inactive sites by comparing the carrying value of the assets with the recoverable value calculated at the higher of fair value less cost to sell or value in use. The carrying value of such sites as at 30 September 2023 amounts to $7.1 million (2022: $7.3 million).

Impairment

A decline in market conditions and asset performance has led to an impairment charge within the Processing operating segment at the East Tamaki, New Zealand site. The primary purpose of the site is for processing and manufacture of edible oils. GrainCorp has performed its impairment assessment in accordance with AASB 136 Impairment of Assets and the carrying value was measured against fair value less costs to sell. The impairment loss of $19.2m in the year ended 30 September 2023 consists of Property, Plant and Equipment ($11.1m) and Lease Assets ($8.1m) (note 3.5).

3.3 Property, plant, and equipment (continued)

ACCOUNTING POLICY

› Carrying value

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses. Subsequent costs are capitalised when it is probable that future economic benefits associated with the expenditure will flow to the Group.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that it is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

› Depreciation

Property, plant and equipment assets, other than freehold land, are depreciated on a straight-line basis over the useful lives of the assets. The impact of climate change has been considered in the assessment of the useful lives of assets with no material impact identified. Useful lives are reviewed on an annual basis and have been assessed as follows:

- Freehold buildings: 3-50 years
- Leasehold improvements: Term of lease
- Plant & equipment: 1-50 years

› Assets held for sale

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use.

Assets held for sale are presented separately from other assets in the consolidated statement of financial position. Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

› Impairment

Tests for impairment on items of property, plant and equipment are conducted in accordance with the policy for impairment of non-financial assets. Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Management has additionally considered the impact of climate related events on reviews for impairments and has concluded that there is no material impact on impairment testing.

3.4 Intangible assets

	Computer software $ M	Trade name $ M	Goodwill $ M	Capital works in progress $ M	Total $ M
At 30 September 2021					
Cost or fair value	132.3	2.2	86.2	2.2	222.9
Accumulated amortisation and impairment	(119.7)	(0.8)	-	-	(120.5)
Net book value	**12.6**	**1.4**	**86.2**	**2.2**	**102.4**
Movement					
Additions	1.0	-	-	3.3	4.3
Amortisation charge	(6.1)	-	-	-	(6.1)
Exchange differences	-	-	(1.6)	-	(1.6)
Closing net book value	**7.5**	**1.4**	**84.6**	**5.5**	**99.0**
At 30 September 2022					
Cost or fair value	133.3	2.2	84.6	5.5	225.6
Accumulated amortisation and impairment	(125.8)	(0.8)	-	-	(126.6)
Net book value	**7.5**	**1.4**	**84.6**	**5.5**	**99.0**
Movement					
Transfer between asset categories	3.6	-	-	(3.6)	-
Additions	3.2	-	-	-	3.2
Amortisation charge	(4.6)	-	-	-	(4.6)
Exchange differences	-	-	1.2	-	1.2
Closing net book value	**9.7**	**1.4**	**85.8**	**1.9**	**98.8**
At 30 September 2023					
Cost or fair value	140.1	2.2	85.8	1.9	230.0
Accumulated amortisation and impairment	(130.4)	(0.8)	-	-	(131.2)
Net book value	**9.7**	**1.4**	**85.8**	**1.9**	**98.8**

Impairment test for goodwill

For purposes of impairment testing, goodwill acquired through business combination is allocated to cash-generating units (CGUs) as below.

	2023 $ M	2022 $ M
Agribusiness	47.2	46.0
Processing	38.6	38.6
Total goodwill	**85.8**	**84.6**

3.4 Intangible assets (continued)

ACCOUNTING POLICY

Computer software measured at cost less accumulated amortisation and impairment losses. Computer software is amortised on a straight-line basis over the useful lives of the assets.

Goodwill and intangible assets with indefinite lives are tested for impairment annually or more frequently if circumstances indicate that an asset may be impaired. In assessing impairment, the recoverable amount of assets is estimated to determine the extent of the impairment loss. The recoverable amount of the identified CGU's has been assessed using the higher of value in use (VIU) and fair value less costs to sell (FVLCTS). Management uses **judgement and estimation** in determining the recoverable amount of assets including expected future cash flows, long term growth rates and discount rates.

For the 2023 reporting period, the recoverable amount of CGU's was determined based on value in use calculations. In assessing VIU, estimated future cash flows are based on the Group's most recent Board approved business plan covering a period of five years. Projected cash flows are based on past performance and management's future expectations. Cash flows beyond the five-year period are extrapolated using an estimated growth rate of 2.5%. The growth rate does not exceed the long-term average growth rate for the countries in which the CGUs operate.

Estimated future cash flows are discounted to present value using pre-tax discount rate of 11.43%. This discount rate reflects the current market assessment of the time value of money and risks specific to the relative segment and its country of operation.

Impact of possible changes in key assumptions

Any reasonable possible change to the above key assumptions would not cause the carrying value of a Group of CGU's to exceed its recoverable amount

Impact of climate change

Consideration has been given to the potential financial impacts of climate change related risks on the carrying value of goodwill. GrainCorp's forecast cashflows includes the costs of achieving its shorter-term sustainability targets. Potential long-term financial impacts of climate change, including the cost of reaching our net-zero target in 2050 are continuing to be assessed; however, at this stage we do not consider the potential impacts of climate change to present a risk of impairment of the carrying value of goodwill.

3.5 Lease assets and liabilities

	Note	Land $ M	Building & structures $ M	Rail $ M	Motor Vehicles $ M	Lease assets $ M
At 30 September 2022						
Carrying amount		98.3	120.6	16.6	52.1	287.6
Accumulated depreciation		(20.2)	(46.3)	(6.3)	(24.7)	(97.5)
Net book value		**78.1**	**74.3**	**10.3**	**27.4**	**190.1**
Movements						
Additions		14.7	9.5	0.9	1.3	26.4
Depreciation		(7.4)	(17.0)	(1.5)	(9.6)	(35.5)
Impairment	3.3	(8.1)	-	-	-	(8.1)
Disposals		-	0.4	-	-	0.4
Closing net book value		**77.3**	**67.2**	**9.7**	**19.1**	**173.3**

Lease Liabilities	2023 $ M	2022 $ M
At 30 September 2022		
Carrying amount	241.3	241.8
Movements		
Additions	24.5	35.6
Interest expense	7.5	7.5
Payments for interest component of lease liability	(7.5)	(7.5)
Repayment of lease liabilities	(40.7)	(36.6)
Exchange differences	(0.2)	0.5
Closing net book value	**224.9**	**241.3**
Current	**38.0**	**37.8**
Non-current	**186.9**	**203.5**

Lease expense recognised in consolidated income statement	2023 $ M	2022 $ M
Interest expense on lease liabilities	7.5	7.5
Depreciation of lease assets	35.5	35.5
Impairment of lease assets	8.1	-
Variable lease payments (included in other expenses)	10.4	6.9
Short term and low value lease payments (included in other expenses)	2.1	1.7

Total lease commitments	2023 $ M	2022 $ M
Not later than one year	44.5	44.7
Later than one year but not later than five years	120.7	123.0
Later than five years	134.7	150.0
Minimum lease payments	**299.9**	**317.7**
Future finance charges	(75.0)	(76.4)
Total lease liabilities	**224.9**	**241.3**

Impairment

The impairment loss of $19.2m in the year ended 30 September 2023 consists of Property, Plant and Equipment ($11.1m) and Lease Assets ($8.1m). Refer to note 3.3 for additional details.

3.5 Lease assets and liabilities (continued)

ACCOUNTING POLICY

Recognition & measurement:

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease assets:

Lease assets are recognised at the commencement date of the lease (i.e. the date the underlying asset is available for use). Lease assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of lease assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Lease assets are depreciated on a straight-line basis over the lease term. Lease assets are also subject to impairment, assessed in accordance with the Group's impairment policy.

Lease liabilities:

Lease liabilities are recognised by the Group at the commencement date of the lease. Lease liabilities are measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group. Variable lease payments are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date where the interest rate implicit in the lease is not readily determinable. After the commencement date, the lease liability is increased to reflect the recognition of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment to purchase the underlying asset.

As at 30 September 2023 the Group's weighted average incremental borrowing rate was 3.2% per annum (2022: 3.1%).

Short term leases and leases of low value:

The Group has elected to apply the short-term lease recognition exemption to its short-term leases, which are defined as those leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expensed on a straight-line basis over the lease term.

3.6 Trade and other payables

Current	2023 $ M	2022 $ M
Trade payables	189.4	176.2
Accrued expenditure	33.6	33.8
Other payables	62.9	68.4
Total current trade and other payables	**285.9**	**278.4**

Non-current	2023 $ M	2022 $ M
Income received in advance	9.0	9.9
Other payables	0.6	0.2
Total non-current trade and other payables	**9.6**	**10.1**

3.7 Provisions

	Customer claims $ M	Employee benefits $ M	Other $ M	Total provisions $ M
At 1 October 2022	**5.2**	**42.2**	**19.2**	**66.6**
Additional provisions	9.9	27.2	4.9	42.0
Amounts utilised	-	(23.0)	(1.4)	(24.4)
At 30 September 2023	**15.1**	**46.4**	**22.7**	**84.2**
Current	15.1	42.5	14.7	72.3
Non-current	-	3.9	8.0	11.9

Customer claims

Customer claims can arise under contractual terms if the quantity or quality of grain owned by a customer is not available at a specific location. A provision is made for customer claims in relation to grain losses or damages in the normal course of operations. The provision is based on the estimated cost of customer claims, with reference to past experience, the level of historical claims paid, and the current location, grade profile and quantity of physical grain in the network relative to customer ownership as at 30 September 2023.

Employee benefits

The provision for employee benefits represents sick leave, annual leave and long service leave (LSL) entitlements. It is measured as the present value of expected future payments for the services provided by employees up to the point of reporting date. For provisions that are expected to be settled 12 months after year end, the Group uses corporate bond rates with maturities aligned to the estimated timing of future cash flows to discount expected future payments. In calculating the LSL provision, management judgement is required to estimate future wages and salaries, on cost rates and employee service period.

The Group's current provision for employee benefits includes $40.5 million (2022: $39.0 million) in respect to accrued annual leave, vesting sick leave and a portion of long service leave, where employees have completed the required period of service. As the Group does not have an unconditional right to defer settlement, the entire obligation is categorised as a current liability. The Group does not expect all employees to take the full amount of accrued long service leave or require payment within 12 months. Long service leave obligations expected to be settled within 12 months amount to $2.1 million (2022: $1.8 million).

Other provisions

Other is made up of legal, restructuring, restoration and worker's compensation provisions.

ACCOUNTING POLICY

Provisions are recognised when:

- The Group has a present obligation as a result of past events;
- It is highly likely an outflow of resources will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current markets assessment of the time value of money and the risks specific to the liability.

4 Group Structure

This section provides information on how the Group structure affects the financial position and performance of the Group. The disclosures detail the types of entities and transactions included in the consolidation and those which are excluded.

4.1 Subsidiaries

The consolidated financial statements of the Group incorporate the assets, liabilities and results of all controlled entities. The Group controls an entity when it has power over the entity, is exposed to, and has the rights to, variable returns from its involvement with that entity and has the ability to affect those returns. Controlled entities are fully consolidated from the date control is obtained until the date that control ceases. All subsidiaries in the Closed Group and other consolidated entities of the Group are listed below.

Table A: Subsidiaries in the Closed Group (note 4.2) Name of entity	Country of incorporation	Equity holdings 2023	2022
Auscol Pty Ltd	Australia	100%	100%
Champion Liquid Feeds Pty Limited	Australia	100%	100%
CropConnect Holdings Pty Ltd	Australia	100%	100%
CropConnect Custodian Pty Ltd	Australia	100%	100%
CropConnect Pty Ltd	Australia	100%	100%
Grainco Australia Pty Limited	Australia	100%	100%
GrainCorp Commodity Management (Holdings) Pty Ltd	Australia	100%	100%
GrainCorp Commodity Management Pty Ltd	Australia	100%	100%
GrainCorp Foods Australia Pty Ltd	Australia	100%	100%
GrainCorp Oils Holdings Pty Ltd	Australia	100%	100%
GrainCorp Oilseeds Pty Ltd	Australia	100%	100%
GrainCorp Operations Limited	Australia	100%	100%
GrainCorp Services Limited	Australia	100%	100%
GrainCorp Warehouse Cashflow Pty Ltd	Australia	100%	100%
Hunter Grain Pty Limited	Australia	100%	100%
Hunter Grain Transport Pty Limited	Australia	100%	100%
Vicgrain (Assets) Pty Limited	Australia	100%	100%
Vicgrain Pty Limited	Australia	100%	100%

Table B: Other subsidiaries Name of entity	Country of incorporation	Equity holdings 2023	2022
CarbonConnect Pty Ltd	Australia	100%	100%
GrainCorp Ventures Pty Ltd	Australia	100%	100%
GrainCorp Canada Inc.	Canada	100%	100%
GrainCorp Operations Canada Inc.	Canada	100%	100%
Gardner Smith Commodities Trading (Shanghai) Co. Ltd	China	100%	100%
Shanghai Grand Port Liquid Storage Terminals Co. Ltd	China	100%	100%
GrainCorp Europe Management GmbH[7]	Germany	100%	100%
GrainCorp Commodity Management (NZ) Limited	New Zealand	100%	100%
GrainCorp Feeds Limited	New Zealand	100%	100%
GrainCorp Foods NZ Limited	New Zealand	100%	100%
GrainCorp Liquid Terminals NZ Limited	New Zealand	100%	100%
GrainCorp Operations Asia Pte Ltd	Singapore	100%	100%
GrainCorp Europe (UK) Ltd	UK	100%	100%
Saxon Agriculture Limited	UK	100%	100%
GrainCorp (Black Sea) Holdings UK Limited	UK	100%	100%
GrainCorp Ukraine LLC	Ukraine	100%	100%
GrainCorp India Private Limited	India	100%	100%

[7] Subject to voluntary liquidation.

4.2 Deed of cross guarantee

The Group and subsidiaries included in Table A of note 4.1 have entered a Deed of Cross Guarantee under which each of the companies guarantees the debts of the other and are relieved from the requirement to prepare financial statements under ASIC Class Order No. 2016/785. These are collectively known as the Closed Group.

Set out below is the Consolidated Income Statement, a summary of movements in consolidated retained earnings and a Consolidated Statement of Financial Position for the Closed Group for the year ended 30 September 2023.

Consolidated income statement	2023 $ M	2022 $ M
Revenue	7,763.3	7,386.5
Other income / (loss)	(80.7)	(393.3)
Goods purchased for resale	(5,585.5)	(4,888.7)
Raw materials and consumables used	(880.3)	(855.9)
Employee benefits expense	(405.6)	(360.3)
Finance costs	(73.5)	(37.0)
Depreciation and amortisation	(109.4)	(108.7)
Repairs and maintenance	(59.7)	(58.1)
Other expenses	(164.9)	(123.7)
Share of results from investments accounted for using the equity method	(1.2)	(1.5)
Profit before income tax	402.5	559.3
Income tax expense	(122.7)	(174.2)
Profit for the year	**279.8**	**385.1**
Other comprehensive income:		
Changes in the fair value of cash flow hedges	(5.1)	6.4
Income tax (expense) / benefit relating to components of other comprehensive income	1.5	(1.9)
Other comprehensive income / (loss) for the year, net of tax	(3.6)	4.5
Total comprehensive profit for the year	**276.2**	**389.6**
Summary of movements in consolidated retained earnings		
Retained earnings at the beginning of the financial year	831.2	522.6
Profit for the year	279.8	385.1
Dividends paid	(120.8)	(76.5)
Retained earnings at the end of the financial year	**990.2**	**831.2**

4.2 Deed of cross guarantee (continued)

Set out below is the Consolidated Statement of Financial Position of the Closed Group as at 30 September 2023.

Consolidated statement of financial position	2023 $ M	2022 $ M
Current assets		
Cash and cash equivalents	572.0	296.9
Trade and other receivables	486.8	518.9
Inventories	757.4	759.5
Derivative financial instruments	205.7	423.1
Investments in other entities at cost	125.6	-
Assets classified as held for sale	0.1	0.1
Total current assets	**2,147.6**	**1,998.5**
Non-current assets		
Trade and other receivables	2.0	-
Derivative financial instruments	6.0	5.6
Investment in subsidiaries	232.8	195.3
Investments accounted for using the equity method	7.7	6.2
Investments in other entities	43.4	109.8
Deferred tax assets	20.2	12.7
Property, plant and equipment	622.4	637.1
Lease assets	164.8	180.5
Intangible assets	30.8	32.1
Total non-current assets	**1,130.1**	**1,179.3**
Total assets	**3,277.7**	**3,177.8**
Current liabilities		
Trade and other payables	240.0	239.6
Deferred revenue	19.0	29.8
Lease liabilities	34.6	19.5
Borrowings	831.7	712.5
Derivative financial instruments	154.7	265.4
Current tax liabilities	40.3	112.0
Provisions	70.7	56.9
Total current liabilities	**1,391.0**	**1,435.7**
Non-current liabilities		
Trade and other payables	9.6	10.1
Lease liabilities	177.0	198.0
Borrowings	150.0	150.0
Derivative financial instruments	24.1	19.5
Provisions	4.5	3.2
Total non-current liabilities	**365.2**	**380.8**
Total liabilities	**1,756.2**	**1,816.5**
Net assets	**1,521.5**	**1,361.3**
Equity		
Contributed equity	527.1	516.6
Reserves	4.2	13.5
Retained earnings	990.2	831.2
Total equity	**1,521.5**	**1,361.3**

4.3 Parent entity financial information

The financial information of the parent entity is prepared on the same basis as the consolidated financial statements, except as follows:

i. Investments in subsidiaries and associates are carried at cost; and

ii. Dividends received from associates are recognised in the profit and loss.

Statement of financial position	2023 $ M	2022 $ M
Current assets	126.6	1.4
Total assets	666.6	660.7
Current liabilities	0.2	0.3
Total liabilities	23.1	3.8
Shareholders' equity		
Contributed equity	527.1	516.6
Share option reserve	1.4	8.2
Capital reserve	8.3	8.3
Retained earnings	106.7	123.8
Total shareholders' equity	643.5	656.9
Profit for the year	103.7	49.2
Total comprehensive profit	103.7	49.2

The parent entity is party to the Deed of Cross Guarantee and is subject to the terms of the deed as described in note 4.2. At 30 September 2023, the parent entity did not provide any other guarantees (2022: $nil), contingent liabilities (2022: $nil) or capital commitments (2022: $nil).

4.4 Investments accounted for using the equity method

a) Carrying amounts

All the below investments are equity accounted and are incorporated in Australia, except for GrainsConnect Canada which is incorporated in Canada.

Entity	Principal activity	Ownership interest 2023	Ownership interest 2022	Carrying amount 2023 $ M	Carrying amount 2022 $ M
GrainsConnect Canada Operations Inc	Grain elevation and storage	50.0%	50.0%	57.8	42.9
National Grower Register Pty Ltd	Register management	50.0%	50.0%	1.6	1.3
Hone Corporation Pty Ltd	Chemical testing and analysis	14.2%	15.0%	4.0	4.8
FutureFeed Pty Ltd	Alternative animal feeds	24.5%	20.4%	2.2	0.7
GRO Agriculture Pty Ltd	Seed variety technology	50.0%	50.0%	-	-
				65.6	**49.7**

b) Movements in carrying amounts

i. Summarised financial information of material joint ventures

The tables below provide summarised financial information for joint ventures that are material to the Group (GrainsConnect Canada). The information disclosed reflects the amounts presented in the financial statements of the relevant joint venture and not the Group's share of those amounts.

Summarised statement of financial position	GrainsConnect Canada Operations Inc[8] 2023 $ M	2022 $ M
Current assets	158.9	177.1
Non-current assets	246.6	229.6
Total assets	**405.5**	**406.7**
Current liabilities	85.4	209.8
Non-current liabilities	204.5	111.1
Total liabilities	**289.9**	**320.9**
Net assets	**115.6**	**85.8**
Reconciliation of carrying amounts:		
Balance at beginning of year	85.8	105.0
(Loss) for the year	(44.4)	(22.2)
Capital contributions	28.5	-
Shareholder loan converted to equity	46.0	-
Exchange differences in translation of opening balances	(0.3)	3.0
Closing net assets	**115.6**	**85.8**
Group's share of net assets	**57.8**	**42.9**

Summarised statement of comprehensive income	GrainsConnect Canada Operations Inc 2023 $ M	2022 $ M
Revenue	1,156.8	683.0
Operating (loss) after tax	**(44.4)**	**(22.2)**
Other comprehensive (loss)	-	-
Total comprehensive (loss)	**(44.4)**	**(22.2)**
Group's share of comprehensive (loss)	**(22.2)**	**(11.1)**

[8] GrainsConnect Canada's current assets includes $41.0m cash and cash equivalents (2022: $40.8m).
GrainsConnect Canada's liabilities includes $nil current borrowings (2022: $93.8m) and $195m non-current borrowings (2022: $99.3m).

4.4 Investments accounted for using the equity method (continued)

ii. Individually immaterial equity accounted investments

In addition to interest in joint ventures disclosed in (i), the Group also has an interest in several individually immaterial equity accounted investments that are accounted for using the equity accounting method.

	2023 $ M	2022 $ M
Reconciliation of carrying amounts:		
Balance at beginning of year	6.8	2.6
Additions for the year	2.2	5.8
Share of (loss) after income tax	(1.2)	(1.6)
Aggregated carrying amount of individually immaterial equity accounted investments	**7.8**	**6.8**

iii. Group's share of commitments and contingent liabilities in respect of equity accounted investments

The Group has no commitments or contingent liabilities in respect of joint ventures (2022: $nil), aside from the commitment disclosed in note 2.5.

ACCOUNTING POLICY

Investments in joint ventures are accounted for using the equity method, whereby the share of profit or loss recognised is the Group's share of the investment's profit or loss based on ownership interest held. A joint venture is an arrangement where the Group has joint control over the activities and joint rights to the net assets.

4.5 Related party transactions

a) Transactions with related parties

Interests held in joint ventures by the Group are set out in note 4.4. Revenue earned by the Group during the year as a result of transactions with joint ventures and other investments the Group holds is as follows:

	Consolidated	
	2023 $'000	2022 $'000
Sales to GrainsConnect Canada	21,806.1	200.1
Purchases from GrainsConnect Canada	553,496.9	48,360.8

b) Outstanding balances in relation to transactions with related parties

Interest held in joint ventures by the Group are set out in note 4.4. Balances outstanding at the end of the financial year are as follows:

	Consolidated	
	2023 $'000	2022 $'000
Current (payable) / receivable from GrainsConnect Canada	(14,953.4)	21,207.8

c) KMP compensation

The remuneration disclosures are provided in Sections 1 to 6 of the Remuneration Report.

	2023 $'000	2022 $'000
Short-term employee benefits	5,377.0	5,525.0
Post-employment benefits	196.0	178.0
Long-term benefits	65.0	61.0
Share-based payments	2,969.0	3,539.0
Total KMP compensation	**8,607.0**	**9,303.0**

d) Other transactions with KMP

Transactions for storage, handling, transport, testing, seed sales and purchase of grain, fertiliser and other agricultural products from Directors or Director related entities took place during both financial years covered by this report and occurred within a normal customer relationship on terms no more favourable than those available on similar transactions to other customers. Below are aggregate amounts due, from and to Directors, any other KMP and their Director related and KMP related entities at year end. These balances are the result of transactions conducted under normal trading terms and conditions. Directors and other KMP who transacted with the Group were K Pamminger, D Mangelsdorf, C Stiff and N Anderson. (2022: K Pamminger, D Mangelsdorf and N Anderson).

	2023 $'000	2022 $'000
Current receivables	42.8	1,314.8
Current payables	62.4	-

Current receivables

Queensland Commodity Exports Pty Ltd an entity related to K Pamminger with current receivables of $15,544 (2022: $318,591), revenue of $1,607,607 (2022: $2,003,913) and purchases of $nil (2022: $17,254).

The Trustee for K Pamminger an entity related to K Pamminger with current receivables of $nil (2022: $nil), revenue of $nil (2022: $nil) and purchases of $276,735 (2022: $443,310).

Daybreak Cropping Pty Ltd an entity related to D Mangelsdorf with current receivables of $nil (2022: $71,606), revenue of $85,916 (2022: $71,606) and purchases of $27,226,582 (2022: $11,515,171).

Warakirri 2 Pty Ltd an entity related to D Mangelsdorf with current receivables of $27,269 (2022: $167,250), revenue of $147,572 (2022: $166,115) and purchases of $43,388,693 (2022: $15,278,795).

The Trustee for D Mangelsdorf an entity related to D Mangelsdorf with current receivables of $nil (2022: $nil), revenue of $57,646 (2022: $30,911) and purchases of $1,482,550 (2022: $2,989,053).

Mrs Mac's Pty Ltd an entity related to N Anderson (up to 9 November 2022) with current receivables of $nil (2022: $757,375), revenue of $219,828 (2022: $3,497,845) and purchases of $nil (2022: $nil).

Current payables

Cleanaway Waste Management Ltd an entity related to C Stiff (from 1 June 2023) with current payables of $62,425 and purchases of $371,413.

5 Additional Notes

5.1 Remuneration of auditor

	2023 $'000	2022 $'000
PwC Australia		
Audit and review of financial reports and other work under the *Corporations Act 2001*	1,255.8	1,058.8
Other assurance services	5.9	25.1
Other services	6.0	-
Total remuneration of PwC Australia	**1,267.7**	**1,083.9**
Overseas practices of PwC Australia		
Audit and review of financial reports	198.6	180.8
Other services	3.3	3.1
Total remuneration of related practices of PwC Australia	**201.9**	**183.9**
Total auditors' remuneration	**1,469.6**	**1,267.8**

5.2 Share-based payments

The Group operates long-term incentive and short-term incentive plans. Fully paid ordinary shares issued under these plans rank equally with all other existing fully paid ordinary shares.

a) Long-term incentive plan (LTIP)

Under the Group's LTIP, senior executives have the opportunity to be rewarded with fully paid ordinary shares, provided the LTIP meets minimum pre-determined hurdles for Total Shareholder Return (TSR) and Return on Invested Capital (ROIC) covering a three-year period, as set by the Remuneration and Nominations Committee. These shares are purchased on market or issued to the trustee once the LTIP vests.

Details of the LTIP are included in Sections 1 to 6 of the Remuneration Report.

The fair value of performance rights are determined using an option pricing model with the following inputs:

Grant date	5 March 2021	25 February 2022	3 March 2023
Fair value at grant date (TSR)	$2.11	$6.16	$3.60
Fair value at grant date (ROIC)	$3.96	$7.44	$7.11
Estimated vesting date	30 September 2023	30 September 2024	30 September 2025
Share price at grant date	$4.25	$8.00	$7.76
Volatility	32.0%	33.0%	35.0%
Risk free interest rate	0.1%	1.5%	3.5%
Dividend yield	2.6%	2.7%	3.3%

Set out in the table below is a summary of the number of rights granted under the LTIP. The exercise price on outstanding options is zero.

Grant date	Expiry date	Balance at start of year	Granted during year	Exercised during the year	Forfeited during year	Expired during year	Balance at end of year	Exercisable at end of year
29-May-20	30-Sep-22	199,762	-	(199,762)	-	-	-	-
05-Mar-21	30-Sep-22	282,738	-	(282,738)	-	-	-	-
05-Mar-21	30-Sep-23	510,712	-	-	-	-	510,712	510,712
25-Feb-22	30-Sep-24	347,269	-	-	-	-	347,269	-
03-Mar-23	30-Sep-25	-	290,313	-	-	-	290,313	-
		1,340,481	**290,313**	**(482,500)**	**-**	**-**	**1,148,294**	**510,712**

5.2 Share-based payments (continued)

b) Deferred Equity Plan (DEP)

All senior executives are required to have a portion of their short-term incentives deferred and paid subject to executives remaining with the Company for subsequent periods.

The deferred component is paid over two years as rights i.e. 50% deferred component at the end of year one and 50% of deferred component at the end of year 2.

The fair value of rights are determined using an option pricing model with the following inputs:

Grant date	25-Feb-22	3-Mar-23	3-Mar-23
Fair value at grant date	$7.64	$7.67	$7.48
Estimated vesting date	30-Sep-23	30-Sep-23	30-Sep-24
Share price at grant date	$8.00	$7.76	$7.76
Dividend yield	2.69%	2.50%	2.50%

Set out below is a summary of the number of rights granted under the DEP:

Grant date	Expiry date	Balance at start of year	Granted during year	Exercised during the year	Forfeited during year	Expired during year	Balance at end of year	Exercisable at end of year
17-Dec-20	30 Sep 2021 & 30 Sep 2022	32,449	-	(32,449)	-	-	-	-
25-Feb-22	30 Sep 2022 & 30 Sep 2023	297,748	-	(148,874)	-	-	148,874	148,874
3-Mar-23	30 Sep 2023 & 30 Sep 2024	-	260,970	-	-	-	260,970	130,485
		330,197	**260,970**	**(181,323)**	**-**	**-**	**409,844**	**279,359**

c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expenses in the Consolidated Income Statement were as follows:

	2023 $ '000	2022 $ '000
Share-based payments expense	3,875.9	4,300.0

ACCOUNTING POLICY

The grant date fair value of equity-settled share-based payments is recognised as an expense proportionally over the vesting period, with a corresponding increase in equity.

The fair value of instruments with market-based performance conditions (e.g. TSR) is calculated at the date of grant using the Monte Carlo simulation model which is a commonly used valuation technique. The probability of achieving market-based performance conditions is incorporated into the determination of the fair value per instrument.

The fair value of instruments with non-market-based performance conditions (e.g. ROIC), service conditions and retention rights is calculated using the Black-Scholes option pricing model.

The amount recognised as an expense over the vesting period is adjusted to reflect the actual number of instruments that vest. The expense is recognised in full if the awards do not vest due to market condition not being met.

5.3 Events subsequent to reporting date

As disclosed in notes to the financial statements, in March 2023 United Malt received an indicative proposal to acquire all ordinary shares. UMG was acquired by Malteries Soufflet via scheme of arrangement during October 2023 for consideration of $5.00 per UMG Share. GrainCorp's consideration, valued at $127m before tax, was received by GrainCorp on 15 November 2023.

In November 2023 GrainCorp announced that subject to customary conditions precedent, it has acquired 100% of XF Australia Pty Ltd, a provider of feed supplement products and nutritional consulting services to Australia's feedlot and grazing sector, for a total purchase price of $35.0 million. The transaction is expected to complete in early 2024.

At the date of this financial report no other matter or circumstance has arisen that has, or may, significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years which has not already been reflected in this report.

Directors' Declaration

In the Directors' opinion:

a) The financial statements and notes set out on pages 57 to 106 are in accordance with the *Corporations Act 2001*, including:

   i. Complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   ii. Giving a true and fair view of the consolidated entity's financial position as at 30 September 2023 and of its performance for the financial year ended on that date; and

b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

c) At the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 4.2 will be able to meet any obligation or liabilities to which they are, or may become, subject to by virtue of a deed of cross guarantee described in note 4.2.

The Basis of Preparation note as disclosed on page 63 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

Peter Richards
Chairman

Sydney
16 November 2023

Independent auditor's report

To the members of GrainCorp Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of GrainCorp Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 September 2023 and of its financial performance for the year then ended

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 September 2023
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated income statement for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Materiality

- For the purpose of our audit we used overall Group materiality of $18.6 million, which represents approximately 5% of the Group's weighted average profit before tax from continuing operations.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- This benchmark was considered appropriate, because, in our view, profit before tax from continuing operations is the metric against which the performance of the Group is most commonly measured. A weighted average of the current and two previous years was used due to the fluctuations in profit/loss from year to year driven by the cyclical nature of the business (weather conditions and crop quality).
- We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- Local component auditors performed an audit of the financial information prepared for consolidation purposes for selected components due to their significance to the Group, either by individual size or by risk. Certain components in the Group are selected every year due to their size or nature, whilst others are included on a rotational basis.
- In addition, local component auditors performed risk focused targeted audit or specified procedures on selected transactions and balances for further components which are not significant to the Group.

- The remaining components were financially insignificant and are considered as part of Group analytical procedures and other specified procedures.
- The PwC Australia Group audit team (the Group audit team) performed audit procedures over centrally managed areas such as the impairment of goodwill, share based payments, treasury and the consolidation process.
- The audit procedures were performed by PwC Australia and component audit teams operating under the Group audit team's instructions. The Group audit team determined the level of involvement needed in the audit work of component audit teams to be satisfied that sufficient audit evidence had been obtained for the purpose of the opinion. The Group audit team kept in regular communication with the local PwC audit firms throughout the year through videoconferences, phone calls, discussions and written instructions.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*
Goodwill impairment assessment *(Refer to note 3.4) $85.8 million* This was a key audit matter due to the financial size of the goodwill balance and because the assessment of potential impairment involves significant judgement by the Group in determining the recoverable amount of assets including expected future cash flows, long term growth rates and discount rates. Goodwill is formally tested by the Group annually regardless of whether there is an indicator of impairment, as required by Australian Accounting Standards.	We performed a number of procedures including the following: • Assessed whether the determination of the Group's Cash Generating Units (CGUs) to assess impairment of goodwill and other assets was consistent with our understanding of the Group's operations and internal Group reporting. • Considered whether the methodology applied in the discounted cash flow models (the models) used to calculate the recoverable amount for each Group of CGUs was consistent with the basis required by Australian Accounting Standards. • Compared the cash flow forecasts for 2024 in the models to those in the latest Board approved budgets. • Assessed the Group's ability to forecast future cash flows for the business by comparing previous forecasts with reported actual results from recent history. • Compared the Group's key assumptions for growth rates in the model forecasts to historical results and economic and industry forecasts. • Evaluated the discount rates in the models, with the assistance of PwC experts by assessing the reasonableness of the relevant inputs in the calculation against available market data and industry research. • Evaluated the appropriateness of the terminal growth rate in the models by comparison to the long term average growth rates of the countries that the Group operates in. • Tested the mathematical accuracy of the impairment models' calculations. • Evaluated the adequacy of the disclosures made in Note 3.4, including those regarding the key assumptions and sensitivities to changes in such assumptions, against the requirements of Australian Accounting Standards.

Valuation of level 3 derivative financial instruments and commodity inventory held at fair value less costs to sell
(Refer to note 2.6)
 	
Level 3 derivative financial instruments assets: $161.1 million
Level 3 derivative financial instruments liabilities: $134.7 million
Commodity inventory at fair value less costs to sell: $565.9 million
 	
At 30 September 2023 a valuation process was performed by the Group to determine the fair value of its derivative financial instruments and commodity inventory.
 	
The valuation of level 3 derivative financial instruments and commodity inventory held at fair value less costs to sell (commodity inventory) was a key audit matter given the significant level of estimation by the Group in calculating fair value of the level 3 derivative financial instruments and commodity inventory as observable market prices are not available, and because of the financial significance of these derivative financial instruments and commodity inventory.
	We performed a number of procedures including the following:
	
	Crop production contract
	
	• Assessed the Group's key assumptions and inputs adopted in the valuation model used to estimate fair value. This included comparing:
	  • the discount rate and historical production to third party information
	  • key assumptions for growth rates to historical results and industry forecasts.
	• Together with PwC valuation experts, assessed the methodology and mathematical accuracy of the valuation model used to estimate fair value.
	• Considered whether the methodology, disclosures and accounting applied by the Group was consistent with the basis required by Australian Accounting Standards.
	
	Commodity contracts and commodity inventory
	
	• Where possible, assessed the valuation of a sample of commodity contracts and commodity inventory against independent third party prices.
	• Tested controls relevant to the Group's fair value estimates of commodity contracts and commodity inventory.

Key audit matter	*How our audit addressed the key audit matter*
Crop production contract The Group holds a 10 year agreement terminating 30 September 2029 ("crop production contract") to manage the risk associated with the volatility of eastern Australian winter crop production. The Group has determined that this crop production contract is a financial instrument and is accounted for in accordance with the requirements of AASB 9 Financial Instruments. This contract is a level 3 financial instrument and as such judgement is required in estimating the fair value of the instrument and in determining the appropriate model, assumptions and inputs. **Commodity contracts and commodity inventory** The Group held significant commodity contracts and commodity inventory which are deemed level 3 financial instruments because judgement is required in estimating the fair value and in determining the appropriate models, assumptions and inputs.	• For a sample of commodity contracts and commodity inventory balances, assessed the appropriateness of the valuation methodologies applied as well as the appropriateness of the inputs used.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 September 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 42 to 55 of the directors' report for the year ended 30 September 2023.

In our opinion, the remuneration report of GrainCorp Limited for the year ended 30 September 2023 complies with section 300A of the *Corporations Act 2001*.

pwc

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

EPenny

Eliza Penny
Partner

Sydney
16 November 2023

Shareholder Information

Holdings distribution as at 31 October 2023

Range	Securities	%	No. Of Holders	%
100,001 and Over	179,684,091	80.10	43	0.22
50,001 to 100,000	2,559,254	1.14	36	0.18
10,001 to 50,000	13,146,287	5.86	708	3.55
5,001 to 10,000	9,432,957	4.20	1,306	6.54
1,001 to 5,000	15,104,249	6.73	6,370	31.91
1 to 1,000	4,410,159	1.97	11,502	57.60
Total	**224,336,997**	**100.00**	**19,965**	**100.00**

Twenty largest shareholders as at 31 October 2023

Rank	Name	Shares held	Issued Capital %
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	87,510,615	39.01
2	CITICORP NOMINEES PTY LIMITED	35,800,497	15.96
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	28,611,992	12.75
4	NATIONAL NOMINEES LIMITED	7,626,033	3.4
5	BNP PARIBAS NOMS PTY LTD	3,336,704	1.49
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	2,608,242	1.16
7	UBS NOMINEES PTY LTD	1,606,902	0.72
8	JARJUMS HOLDINGS PTY LIMITED	1,400,000	0.62
9	MRS INGRID KAISER	1,133,976	0.51
10	BNP PARIBAS NOMINEES PTY LTD	955,581	0.43
11	BNP PARIBAS NOMINEES PTY LTD	916,198	0.41
12	PACIFIC CUSTODIANS PTY LIMITED	790,071	0.35
13	CITICORP NOMINEES PTY LIMITED	591,224	0.26
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	495,200	0.22
15	PACIFIC CUSTODIANS PTY LIMITED	494,707	0.22
16	BNP PARIBAS NOMS PTY LTD	427,741	0.19
17	NEWECONOMY COM AU NOMINEES PTY LIMITED	408,738	0.18
18	SPURWAY FAMILY INVESTMENTS PTY LTD	349,690	0.16
19	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	328,565	0.15
20	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	322,153	0.14
Total		**175,714,829**	**78.33**
Balance of register		**48,622,168**	**21.67**
Grand total		**224,336,997**	**100.00**

Substantial shareholders

The following organisations disclosed a substantial shareholding notice in GrainCorp Limited by 31 October 2023:

Name	Notice Date	Shares held	Issued Capital
Perpetual Limited	15 September 2023	11,279,130	5.03%
State Street Corporation	21 March 2023	14,150,584	6.33%
Australian Retirement Trust	13 March 2023	11,198,689	5.01%
Vanguard Group	12 July 2022	11,466,673	5.01%
Norges Bank	6 April 2022	11,517,084	5.00%
Dimensional Entities	21 August 2017	13,742,579	6.00%

Voting rights

On a show of hands, every member present in person or by proxy shall have one vote, and upon each poll, each share shall have one vote.

Glossary

Term	Definition
AASB	Australian Accounting Standards Board
ABARES	Australian Bureau of Agricultural and Resource Economics
AGM	Annual General Meeting
AHRI	Australian Human Resources Institute
AICD	Australian Institute of Company Directors
ARC	Audit & Risk Committee
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
aTSR	Absolute Total Shareholder Return
Board Committees	Committee Chairs and members
CAGR	Compound Annual Growth Rate
Carry-in	Grain inventory at beginning of period (1 October)
Carry-out	Grain inventory at end of period (30 September)
CFO	Chief Financial Officer
CMT	Crisis Management Team
Consolidated Income Statement	Consolidated Income Statement for the year ended 30 September 2023
COO	Chief Operations Officer
Core debt	Net debt less commodity inventory
CPC	Crop Production Contract
CPI	Consumer Price Index
CSIRO	The Commonwealth Scientific and Industrial Research Organisation
Demerger	the demerger of the Malt business effective 23 March 2020
DEP	Deferred Equity Plan
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest, Tax, Depreciation & Amortisation
ECA	East Coast Australia (NSW, QLD and VIC)
ELT	Executive Leadership Team
EPS	Earnings per Share
ESG	Environment, Social and Governance
Executive KMP	Executives who are also Key Management Personnel
EY	Ernst & Young
FFO	Feeds, Fats and Oils
FGT	Fraser Grain Terminal
GCC	GrainsConnect Canada JV
GCF	GrainCorp Community Foundation
GNC	GrainCorp
GrainCorp	GrainCorp Limited
GRI	Global Reporting Initiative
GST	Goods and Services Tax
iDAP	GrainCorp's Inclusion & Diversity Action Plan
IFRS	International Financial Reporting Standards
JV	Joint Venture
KMP	Key Management Personnel (Executives and Non-Executive Directors)
KPI	Key Performance Indicator
LEAN	Lean Six Sigma is a process improvement methodology designed to eliminate problems, remove waste and inefficiency
LSL	Long Service Leave
LTI	Long-Term Incentive
LTIFR	Lost Time Injury Frequency Rate
LTIP	Long-Term Incentive Plan
MD&CEO	Managing Director & Chief Executive Officer
mmt	Million metric tonnes
NED	Non-Executive Director
Net Debt	Total debt less cash
NGR	National Grower Register Pty Ltd
NPAT	Net Profit after Tax
NPS	Net promoter score
PCP	Previous corresponding period
PwC	PricewaterhouseCoopers
RBD	Refining, Bleaching and Deodorising (oil capacity)
RIFR	Recordable Injury Frequency Rate
RNC	Remuneration & Nominations Committee
ROCE	Return on Capital Employed
ROE	Return on Equity
ROIC	Return on Invested Capital
ROU	Right of Use Asset/Right of Use Liability
SHE	Safety, Health & Environment
SHEC	Safety, Health & Environment Committee
Statement of Financial Position	Statement of financial position as at 30 September 2023
Statutory NPAT	Statutory Net Profit after Tax
STI	Short-Term Incentive
TCFD	Task Force on Climate-Related Financial Disclosures
TFR	Total Fixed Remuneration
The Group	GrainCorp Limited and its controlled entities
Trust	GrainCorp Employee Share Ownership Plan Trust
TSR	Total Shareholder Return
TTC	Through-the-cycle
UCO	Used Cooking Oil
UMG	United Malt Group Limited (ASX: UMG)
EBITDA	Earnings before interest, tax, depreciation and amortisation
VIU	Value in Use
VWAP	Volume Weighted Average Price
YoY	Year on Year

Corporate Directory

Board of Directors

Peter Richards
(Chairman)

Robert Spurway
(Managing Director & CEO)

Clive Stiff
(Non-executive Director)

Daniel Mangelsdorf
(Non-executive Director)

Kathy Grigg
(Non-executive Director)

Nicki Anderson
(Non-executive Director)

Company Secretary

Stephanie Belton

Annerly Squires

Registered Office

Level 28
175 Liverpool Street
Sydney NSW 2000
AUSTRALIA

Tel: + 61 2 9325 9100
Fax: + 61 2 9325 9180

Company website
www.graincorp.com.au

Share Registry

Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

Tel: +61 2 8280 7111

Created by Designate

GrainCorp