



GrainCorp Limited

# Sustainability Report 2018



**GrainCorp**

100 YEARS OF GROWTH

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## About this report

This report covers the sustainability performance of GrainCorp Limited and the entities it controls. GrainCorp's first Sustainability Report was published in 2014. This report includes activities and facilities across those international locations for which we had operational control for all or part of the financial year of 1 October 2017 to 30 September 2018.

This report has been prepared with reference to the guidelines of the internationally recognised Global Reporting Initiative G4 framework for sustainability reporting.





Barrett Burston malting plant  
Pinkenba, Queensland

# GrainCorp Overview

## Our International Operations



## GrainCorp provides a diverse range of products and services across the food and beverage supply chain, to our valued customers in over 30 countries.

GrainCorp has operations in Australia, New Zealand, Asia, North America, Europe and the United Kingdom. These markets collectively represent over 50 per cent of the international export trade in wheat, barley and canola.

GrainCorp has three reporting segments:

- › GrainCorp Grains
- › GrainCorp Malt
- › GrainCorp Oils

### Our Vision

To be a leading international agribusiness as our customers' preferred partner.

### Our Integrated Supply Chain

**Accumulation** – Largest regional accumulation network in Australia.

**Storage** – Over 20 million metric tonnes (mmt) of country storage and handling capacity.

**Marketing** – Marketing to local and global markets.

**Road & Rail** – Full freight connectivity for rapid turnaround.

**Ports** – Seven bulk grain ports with 15mmt elevation capacity and 14 bulk liquid terminals.

**Processing** – A key end producer of malt and oils.

### Our Values

Our values help define our organisational culture by providing a common understanding of how we do things at GrainCorp and how we should behave towards each other, our customers and other stakeholders.

- › Commit to SAFETY
- › Deliver for our CUSTOMERS
- › LEAD the way
- › OWN the result

GrainCorp is a leading international food ingredients and agribusiness company with an integrated business model across three main grain activities: supply chain, origination and processing.



# Managing Director and CEO's Statement



A handwritten signature in black ink, appearing to read 'Mark Palmquist'.

**Mark Palmquist**  
Managing Director & CEO

**I am pleased to present GrainCorp's 2018 Sustainability Report which allows us the opportunity to demonstrate the importance we place on safety & health, people, environment and communities – the factors underpinning the long-term sustainability of our business.**

The health and safety of our people will always be a key priority for the Group. Our Recordable Injury Frequency Rate (RIFR) was 12.2 in FY18, compared to 11.5 in FY17. We are not satisfied with this increase and are targeting year-on-year improvement to this metric. Our **Group Safety, Health and Environment Strategy Towards 2020** continues to guide our progress and the initiatives we pursue in this area.

This year has been an extremely challenging one for our grower customers in eastern Australia, many of whom are experiencing prolonged drought conditions. A lot of our own people live and farm in these communities and we keenly feel the difficulties they are going through. GrainCorp has implemented a series of initiatives to support our grower customers as they

navigate this difficult time. These are detailed in the Community section of this report alongside numerous examples of the way GrainCorp contributes across our international operations.

As an agribusiness with operations in many regions around the world, GrainCorp is affected by changes in weather patterns which can result in short-term grain production variability. A near-record crop in eastern Australia in FY17, followed by a below-average crop in FY18, demonstrates this volatility. Longer-term climate change also has the potential to pose a material business risk on GrainCorp if, for example, grain production was to decline on a sustained basis in one of our key regions.

During the year, GrainCorp commissioned research into 23 wheat cropping districts in eastern Australia, under likely climate scenarios to 2030 and 2050, to help inform our climate change impact assessment. The initial findings suggest that, despite a predicted increase in weather volatility and occurrence of extreme weather events, eastern Australia will continue to be a



productive grain-producing region, capable of sustaining or perhaps even increasing current crop volumes and qualities. Further detail on this research is included in the Environment section of this report.

I have always been proud of GrainCorp's strong culture, with leadership playing an important part in this, especially in times of uncertainty and change. I am pleased with the way our people have embraced the challenges of 2018, including the drought in eastern Australia and the changes involved with the formation of our new Grains business, among others. Importantly, throughout this period our focus on diversity & inclusion, leadership and employee engagement has continued to be a priority.

The benefits of our diversified business model are again being demonstrated in the face of the current environmental conditions. Our FY18 results benefited from the positive performance of our global Malt business and its strong market position in the North American craft beer sector, and we continued to make good progress in our Foods unit within GrainCorp Oils.

Our customers are increasingly looking for suppliers that reflect their own environmental

values and who operate in an environmentally sustainable way. With a large part of our business involving production, we continue to optimise our energy and water usage and seek ways to minimise our carbon intensity, including the use of renewable energy alternatives.

I have always been proud of GrainCorp's strong culture, with leadership playing an important part in this, especially in times of uncertainty and change.

**Mark Palmquist**  
**Managing Director & CEO**

I would like to thank our employees for their ongoing commitment, as we continue to manage the impact of our operations for the benefit of all stakeholders and as we strengthen the long-term sustainability of our business.

# Safety and Health



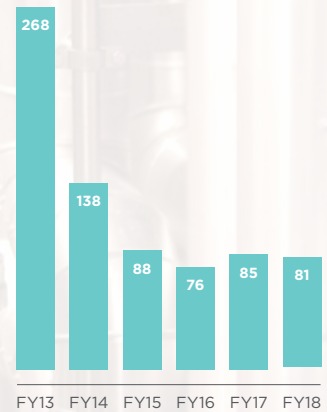
**Recordable Injury Frequency Rate (RIFR)<sup>1</sup>**



**Lost Time Injury Frequency Rate (LTIFR)<sup>2</sup>**



**Workforce Injuries<sup>3</sup>**



<sup>1</sup>Recordable Injury Frequency Rate ("RIFR") is calculated as the number of injuries per million hours worked. Includes lost time injuries, medical injuries and restricted work injuries. Includes permanent and casual employees and GrainCorp controlled contractors.

<sup>2</sup>Lost Time Injury Frequency Rate ("LTIFR") is calculated as the number of lost time injuries per million hours worked. Includes permanent and casual employees and GrainCorp controlled contractors.

<sup>3</sup>Absolute number of lost time injuries, injuries requiring medical treatment and restricted work injuries sustained by permanent and casual employees and GrainCorp controlled contractors.



In mid-2017, GrainCorp launched **Group Safety, Health and Environment Strategy Towards 2020**, a framework based on the pillars of Safety, Environment & Sustainability, Leadership & Culture, Health & Wellbeing and Risk Management. The framework enables certain goals to be prioritised, which can then be broken into individual initiatives and implemented across one or more areas of the Group.

During the year, we identified the following three areas as priorities and established four-year strategies/ implementation plans for each one:

- 1 Critical risk management
- 2 Injury reduction
- 3 Process safety management

This year, GrainCorp's Recordable Injury Frequency Rate (RIFR) increased to 12.2 (FY17: 11.5) and Lost Time Injury Frequency Rate (LTIFR) increased to 4.1 (FY17: 3.0). These are important reminders for GrainCorp to maintain a vigilant approach and to continue introducing new initiatives to ensure the safety of our employees.

As part of a programme for continuous improvement, we have continued to roll out '5S', a framework for workplace efficiency, effectiveness and safety. This programme reduces the likelihood of injury due to poorly organised workplaces. Furthermore, site-specific safety measurements and targets have been highlighted through the introduction of visual management boards that ensure safety risks are kept front-of-mind and are measured daily.

To encourage more visible safety leadership, a programme of safety conversations and leadership site visits has been piloted in the Victorian region of the Grains business. This successful pilot is now being implemented in all relevant areas of the business to reinforce safe work processes.

The next phase of GrainCorp's safety journey involves a focus on managing critical and catastrophic risks. While injury prevention will remain an important focus, the experience of many organisations in hazardous industries has shown that injury rates are not an effective measure of critical risks – those which could cause fatalities or serious disabling injuries. Nor are injury rates a successful measure of catastrophic risk, which is defined as risk stemming from a loss of containment in hazardous manufacturing processes.

Consequently, GrainCorp acknowledges the need to define and manage critical risks, as well as to apply **Process Safety Management (PSM)** to the manufacturing and storage operations that contain significant hazardous inventories. A review of critical safety risks is underway and the first stage has identified the 12 critical risks across the business. The



next stage of the review will verify the effectiveness of risk controls so that improvement projects can be undertaken.

Additionally, an initiative is underway to identify high-potential hazard operations. These are defined as those operations which process or handle significant inventories of flammable or otherwise hazardous materials. These sites will be benchmarked against PSM best-practice standards, so that areas of weakness can be identified and necessary improvements made to ensure loss of containment incidents are prevented.

As part of GrainCorp's strong safety culture, we encourage and support our employees to look after their physical and mental health. **Mental Health First Response** training was recently rolled out across all Grains regions and ports, and is designed to educate employees on how to better recognise the often subtle signs of sub-optimal mental health and how to effectively assist somebody who may be suffering. The training is highly important given the additional pressures many people in the regional communities are feeling due to recent drought conditions.

This whole-of-business, strategic approach to health and safety management is strengthened by the many business-specific, site-specific and individual efforts continually being made.

# Safety and Health

## Guardian Seeing Machines



Long truck journeys are an essential part of GrainCorp's Auscol service offering. Drivers work independently and, despite training and

procedures to ensure their health and safety, they may at times become affected by fatigue, which can have catastrophic consequences on a public road. As a result, the Auscol team has implemented the Guardian Seeing Machine System, a product that utilises advanced sensors to track eye closure and head position and allows for intervention when signs of fatigue and distraction are detected. In the 12 months since installation, 10 issues of fatigue have been identified by the system, potentially preventing serious safety incidents while also generating important data for Auscol managers to help initiate further safety improvements. The data is also useful for drivers, as it enables them to better manage their sleep and rest breaks. All Auscol vehicles across the country have been fitted with the system.

## Making grain bunkers safer



To protect grain from the elements and reduce the risk of injury on our grain bunkers, it is extremely important that the tarpaulins covering our bunkers remain securely in place.

Adverse weather conditions can cause tarpaulins to lift off bunkers, leaving grain exposed and causing damage to the tarpaulin. Employees are frequently required to climb bunkers to re-secure the tarpaulins, which poses working-at-heights and manual handling safety risks. To mitigate these risks, vulnerable sites have installed suction fans which effectively hold the tarpaulin in place and eliminate the need for mounting bunkers.

## Malt – manual handling

Minimisation of manual handling risks is a key safety focus across GrainCorp. Accordingly, Country Malt Group's warehouse in Vancouver, Washington, USA recently installed a new bagging line using state-of-the-art technology. Previously, bags of Malt that were not within the acceptable weight range had to be physically removed by operators, posing a significant manual-handling risk. The new line removes the need for bags to be physically removed by operators.

**In GrainCorp Malt's North American production locations, "endless belt manlifts" have been the industry standard method for moving employees vertically through the malt houses and grain elevator headhouses for many decades.**

The belt manlifts run in continuous loops and pose an ongoing safety risk for employees who are required to step on to a continuously moving belt, take hold of a hand strap, then step off when reaching their destination point.

Furthermore, the manlifts do not have the ability to move parts, supplies or tools through the buildings, meaning staff must manually lift or hoist these materials.

Due to these risk factors, the Malt team decided to decommission the manlifts and replace them with modern enclosed elevators, which possess the latest safety features and meet modern elevator codes. They can move up to five team members, or up to 454kg of equipment, at 40 meters/minute to the various floors within Malt's buildings.

The replacement project involves the demolition of six old manlifts and cutting through numerous floors of concrete to accommodate the new, larger elevators. While it is a sizeable task, the elevators will reduce the risk from moving machinery, falls from heights and manual lifting exposures.

The project is due for completion in 2019.



Safety and Health

## Key Achievements 2018



Group RIFR

**12.2**



Group LTIFR

**4.1**



A **Critical Risk Management** initiative is being developed



Process Safety Management programmes are being developed at high hazard manufacturing sites



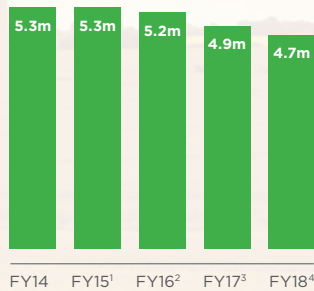
The **Fit4Life** and **Sentis** safety training programmes continued



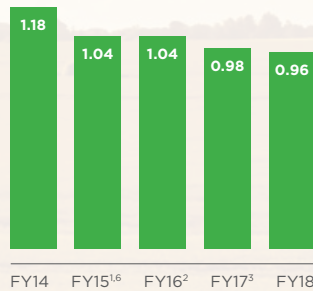
Each site achieved the targeted 90 per cent completion rate for positive assurance of significant risk control measures and for line leadership reviews

# Environment

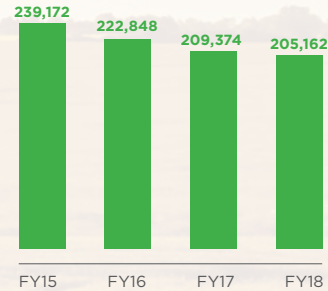
**Total Energy Use (GJ)**



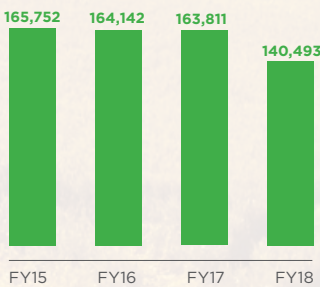
**Energy Use per Tonne (GJ)<sup>5</sup>**



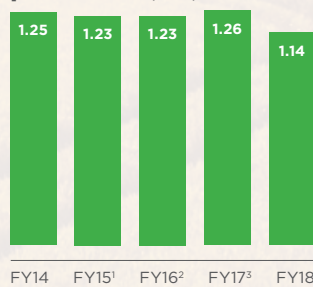
**Scope 1 GHG Emissions (tCO<sub>2</sub>-e)<sup>7</sup>**



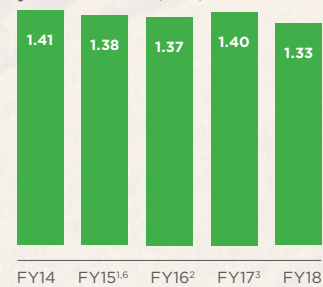
**Scope 2 GHG Emissions (tCO<sub>2</sub>-e)<sup>8</sup>**



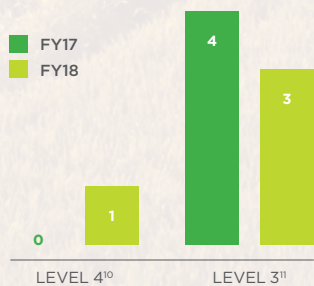
**Water Usage per Tonne (KL)<sup>9</sup>**



**Tradewaste Discharge per Tonne (KL)<sup>9</sup>**



**Loss of containment events**



<sup>1</sup>Excludes Malt sites in Fletcher, South Holland and Champlain. <sup>2</sup>Excludes Malt site in Fletcher. <sup>3</sup>Excludes Malt sites in Fletcher, Lyalta, Brewers Select, Scotgrain, Turiff, Blackfoot, Ashville, Chicago, Dallas, Oakland, San Diego, Toronto, Vancouver BC, Vancouver WA BRC, Vancouver WA Distribution, Vancouver WA Prod. <sup>4</sup>Excludes Malt sites in Fletcher, South Holland, Brewers Select, Scotgrain, Turiff, Blackfoot, Ashville, Chicago, Dallas, Oakland, San Diego, Toronto, Vancouver BC, Vancouver WA BRC, Vancouver WA Distribution, Vancouver WA Prod. <sup>5</sup>Calculated as the average energy (GJ) per production/throughput tonne. <sup>6</sup>FY15 number has been restated to reflect better data capture processes. <sup>7</sup>Scope 1 emissions are those produced directly by GrainCorp's activities. <sup>8</sup>Scope 2 emissions are indirect emissions, such as electricity consumption. <sup>9</sup>Calculated as the average water use/trade waste (KL) per production/throughput tonne. Water sourced from municipal water supplies or other activities. Includes discharges after treatment into municipal sewers. <sup>10</sup>Level 4 environmental incidents are ones that threaten material or serious environmental harm. <sup>11</sup>Level 3 environmental incidents are lesser incidents that are still notifiable to the authority/regulator.

## Climate Change

As a company that stores, transports, processes and trades agricultural products in many regions around the world, GrainCorp's business is affected by variability in weather patterns which can result in significant variability in grain production from year to year. For example, the FY17 crop in eastern Australia totalled 28.2 million tonnes, whereas the FY18 crop was 16.6 million tonnes<sup>1</sup>.

Yearly changes in weather have caused GrainCorp to adapt its business operations to sustain and optimise financial returns. Similarly, longer-term changes in weather patterns potentially resulting from climate change could pose a material business risk for GrainCorp if these changes were to result, for example, in the reduced ability of eastern Australia to produce cereal crops of sufficient volume and quality.

In FY18, GrainCorp commissioned expert environmental research to better assess the potential long-term impact of predicted climate change on grain production in 23 key wheat cropping districts in eastern Australia. Ndevr Environmental, a specialist carbon, energy and sustainability consultancy, applied a range of commonly-used predictive climate models, based on a range of global carbon emission scenarios over the periods to 2030 and 2050, to analyse the possible impact on rainfall and temperature, floods and droughts, and consequent wheat yields and protein content.

The study concluded that, under the most likely climate change trajectories predicted by 40 general circulation models, climate change is likely by both 2030 and by 2050 to have a small positive impact on the wheat yield potential of eastern Australia and no significant negative impact on protein content. The small decrease in average annual rainfall, predicted under the most likely scenario, was offset by higher yield potential resulting from increased atmospheric carbon dioxide levels. The study did predict an increase in yearly weather variability, meaning annual harvests would likely be more volatile. While droughts were predicted to be slightly more frequent, they would remain an exception, with the increased probability of severe drought years increasing from an average of six in 100 years to 10 in 100 years by 2050, across the cropping districts analysed in the study.



While floods are likely to become less frequent by 2050, their intensity is predicted to increase.

Importantly, these conclusions were based on currently typical wheat varieties and farming methodologies. The study did not seek to predict possible improvements in wheat varieties bred to better cope with lower rainfall, nor improvements in farm management, particularly the use of new technologies and techniques designed to make optimal use of available soil moisture. Australian farmers have a long history of successful adaptation to changing climate by shifting planting times, changing crop rotations, improving soil fertilisation management and introducing new crop varieties. Australian grain farmers have also applied new science and technology to improve crop yields in the face of changing weather patterns. There is every reason to believe there is significant scope for continued improvements in the years ahead, and that this will build the sector's resilience to possible increased weather volatility.

Accordingly, based on the research to date and under the most likely scenarios of future climate change, eastern Australia will continue to be a productive wheat-producing region capable of sustaining, or perhaps even increasing, current crop volumes and qualities.

GrainCorp will continue to research the possible future climate risks across other key regions in which it operates and will continue to engage closely with grower customers to identify opportunities to improve their productivity and resilience through technology and innovation.

<sup>1</sup>Average of ABARES' and ACF's crop production estimates for east coast Australia: wheat, barley, canola, chickpeas and sorghum.

# Environment

## Energy and Emissions

GrainCorp is committed to minimising its energy usage and reducing the carbon intensity of its operations both for environmental and economic reasons.

In 2017, we established a cross-business unit **Energy Task Force** which has been instrumental in identifying opportunities to improve energy efficiencies across the Group.

The utilisation of renewable energy is one such opportunity that is being pursued. Last year, the Grains business undertook a feasibility study of its Australian sites, identifying seven locations suitable for solar energy installation. Panels were installed at the Grains site in Wagga Wagga, NSW, in late 2017 and panels are currently being installed at sites in Moree and Junee, also in regional NSW. The performance of these installations in relation to energy efficiency and emissions reduction will provide important insights to the Grains business when preparing the roll-out across the remaining sites.

GrainCorp Oils' Liquid Terminals site at Largs Bay in South Australia has also recently installed solar panels. The energy captured will result in significant electricity savings at the site, with excess energy being returned to the grid.

The **Energy Task Force** is also actively investigating options for renewable power purchase agreements (PPA), both direct from PPA providers and using existing network infrastructure.

GrainCorp Oils' West Footscray edible oil refinery has an integrated heat recovery system which recycles waste heat from the refinery and circulates it back into the plant. The team identified an opportunity to increase the level of heat recovery through a reconfiguration of the system. Together with a recently completed lighting upgrade, these initiatives will result in a significant reduction in the site's use of natural gas, electricity and water. GrainCorp was awarded a AUD50,000 grant toward the heat recovery project as part of a government program to promote energy efficiency.

Over the last three years, GrainCorp Malt in Vancouver, USA has taken a phased approach to improving the efficiency of its malting process. The kilning phase where malt is dried out and colours and flavours are developed is an important, yet energy intensive process. In 2018, the cooling process was improved with the installation of more efficient dampers, resulting in a 10 per cent reduction in electrical consumption at the site.

## Water

The efficient use of water resources and the ability to drive continuous improvement in water management are extremely important for GrainCorp.

GrainCorp Malt in Vancouver, USA has worked diligently to reduce the amount of water it uses in its malting process. In 2017, a spray tree system and recirculation pump were installed to more efficiently create the humidity required for barley germination. In 2018, the Malt team utilised new technology to upgrade the barley cleaning process, which has enabled a further significant reduction in the amount of water used. Together, these projects have resulted in water savings of more than 200 million litres/year (60 million gallons/year). In recognition of these efforts, the site will be awarded the Association of Washington Business' 2018 Manufacturing Excellence Award for Green Manufacturing.

GrainCorp Oils is also reducing its water usage by improving the efficiency of its Foods plant in West Footscray, Victoria. Upon completion of a heat recovery system upgrade, improvements in the efficiency of the boiler and cooling tower will deliver an estimated reduction of more than 5 per cent of water usage.

One of GrainCorp Malt's largest customers is a global beverage manufacturer with a particularly strong commitment to environmental sustainability. The company insists on certain standards of performance from its suppliers and rates each business across several criteria, including sustainability, which comprises 25 per cent of the score. GrainCorp Malt was pleased to achieve a 2018 sustainability rating 6 per cent higher than the global average of all suppliers, demonstrating an alignment in commitment to sound environmental management.

## Waste

The volume of waste that GrainCorp generates, and the method of its disposal, has a direct impact on the environment.

Within the Grains business, tarpaulins are used to protect bunkers of grain from damage. They are a necessary part of operations but a major component of waste when disposed of. Over the last three years, Grains has undertaken a project to reduce their impact on the environment by partnering with a specialist tarpaulin recycling provider to ensure all Grains sites a) undertake full tarpaulin recycling and b) closely manage and track their tarpaulin usage to increase utilisation. During the year, Grains continued to roll out this programme and embed the relevant processes.

GrainCorp Oils' Auscol business was the first company in Australia to specialise in the recycling of cooking oils and fats that would otherwise contribute to the pollution of our waterways. As a licensed recycler, Auscol converts cooking oil into bio-diesel, reducing potential damage to the environment by providing an alternative to traditional fossil fuels. In 2018, Auscol achieved International Sustainability and Carbon Certification (ISCC) accreditation, which is the highest global standard relating to environmental, social and economically sustainable supply chains. This accreditation opens opportunities for Auscol to service businesses in the European Union and Asia.

Recycling activities vary from site to site and GrainCorp supports its teams to identify and capitalise on appropriate opportunities. The Sydney head office used the global **Plastic Free July** initiative as an opportunity to direct the attention of employees to their personal use of plastic. To raise awareness and encourage waste reduction, all staff were provided a **KeepCup** to replace the many disposable coffee cups used daily.

The Sydney head office has also donated refurbished laptops to organisations in need and in 2018 donated 15 laptops to the Victorian Country Fire Service and the Men's Shed in Dubbo, NSW.

With the Murray River on its doorstep the Grains team at Swan Hill, Victoria, takes waste management very seriously. During the year, the team worked with local and national waste collectors to implement a comprehensive program of recycling across multiple streams, including the recycling of old mobile phones through a **Mobile Muster**. In 2018, the site was awarded a **Resource Recovery Certificate** for diverting over 98kg of rubbish from landfill.

## Environment

# Key Achievements 2018



Commissioned expert environmental research to assess the potential long-term impact of predicted climate change on grain production in 23 key wheat cropping districts in Eastern Australia



Continued climate change risk assessment



An environmental obligations and consents register commenced roll out across selected sites to allow for better consistency in environmental measurements



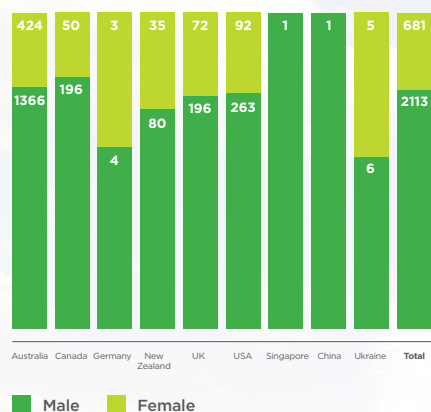
Implemented a variety of initiatives to reduce emissions, water consumption, energy use and waste



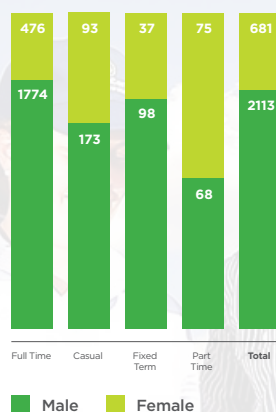
Commissioned several pollution studies across the network to identify processes or engineering controls to further reduce potential impacts

# People

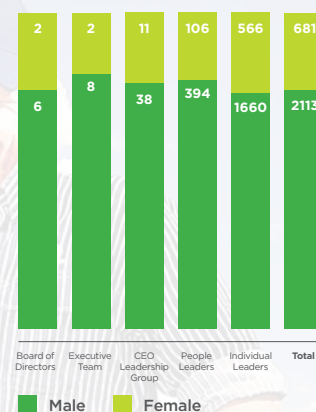
### Employees by Country



### Employment Type



### Composition and Leadership Groups<sup>1</sup>



The long-term sustainability of GrainCorp is dependent on having an engaged, diverse and empowered workforce, and providing the necessary support structures to help our people reach their potential.

Note: Data includes employees under Enterprise Agreement and Individual Contracts, excludes External/Agency Contractors.

<sup>1</sup>For the purpose of this gender representation chart, the CEO has been counted in the Executive Team but not the Board of Directors. The Executive Team also includes Cate Hathaway and Phil Caris. Ms Hathaway joined GrainCorp in July 2018 as Interim Group General Manager, Human Resources & SHE, to cover for Mr Caris while he is on parental leave. Mr Caris will return to GrainCorp in March 2019.

## Leadership Development

During the year, GrainCorp ran a series of leadership courses under its **LEAD** programme (Launch, Elevate, Accelerate, Discover), with a focus on Accelerate, the component designed for senior leaders. Accelerate centres on developing customer capability and includes modules on creating high-performance teams, innovation & disruption and design thinking to promote a resilient and agile workforce. All senior leaders will have completed the programme by December 2018.

### Leadership

#### Key Achievements 2018



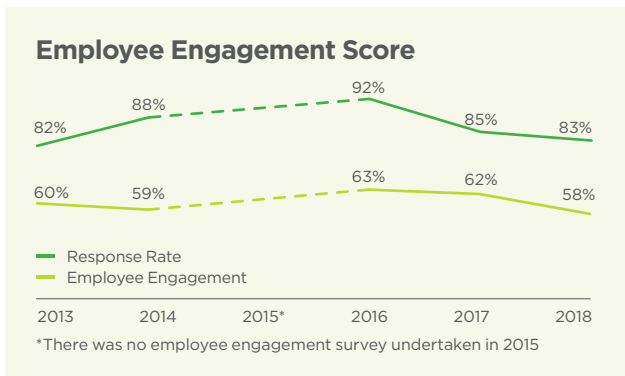
Commenced second stage of the **Elevate** programme



Rolled out the **Accelerate** programme



## Talent Capability & Engagement



Each year, GrainCorp conducts an **employee engagement survey** to understand how our employees feel about their workplace and identify the areas they consider we need to improve in as an organisation.

In FY18, 83 per cent of employees participated in the survey, with GrainCorp achieving an overall employee engagement score of 58 per cent (down from 62 per cent last year). While the company continued to rate strongly in areas such as safety and environment, other areas such as change management and flexible workplace practices were identified as requiring a higher level of attention.

This employee feedback has prompted the creation of a set of actions that leverage strengths while targeting opportunities for improvement. The survey highlighted that our people believe in our values, take pride in their organisation and value customer relationships. This provides a strong cultural foundation from which a set of actions to support a solution-focused, agile culture can be developed. Actions include streamlining inefficient processes to allow employees to better respond to customers and building our leadership capability to manage change initiatives.

In recognition of the need for greater flexibility at different life stages, GrainCorp will in FY19 introduce (for Australian employees) purchased annual leave of up to four weeks. We have also modernised our Australian parental leave policy to provide 14 weeks paid leave for primary carer givers and two weeks for secondary care givers, bringing GrainCorp in line with best practice employers.

A new Human Capital Management System (HCMS) is under development for rollout in 2019. Replacing multiple non-integrated systems across the organisation, the HCMS will provide a single resource for all employee data enabling greater efficiencies across our people processes. The HCMS will be implemented in phases over the coming years, commencing with Recruitment, Onboarding/Offboarding and Employee Central, which will then enable Employee and Manage Self-Service functions.

The continued implementation of technology is a critical part of GrainCorp's human resources strategy and will help build engagement, support data-driven decision making and promote a high-performance culture.

Ensuring GrainCorp employees are supported in their professional development is critical to fostering a high-performance culture. During the year, a quarterly, cross business-unit talent development forum was initiated to better facilitate the development and movement of talent across the business.



### Talent Capability & Engagement Key Achievements 2018



Initiated quarterly cross-business talent development and deployment forum

# People

## Diversity & Inclusion

GrainCorp aims to foster a diverse and inclusive workplace that facilitates opportunity, respect and innovation, helping our people, customers and communities to prosper and grow. GrainCorp's focus on diversity is active and ongoing across all operating geographies.

Improved diversity starts at the top, and GrainCorp has set a target to include at least two credible female candidates in the candidate pool for vacant roles within the top two tiers of management below the CEO, and fill at least 40 per cent of these roles with females. These targets were achieved in FY17 and FY18. GrainCorp has also set a target for 50% of each graduate intake to be female and this target was exceeded in the most recent intake in FY17. Further, our overall female gender workforce participation rate has increased from 21 per cent in 2013 to 24 per cent in 2018.

An internal pay equity analysis is conducted annually to identify employees who are paid significantly less than others doing the same job at the same level. In the event differences are deemed significant and unexplained, appropriate action is taken.

Articulating the importance of Diversity & Inclusion and strengthening this focus across the Group is a key role of the Diversity & Inclusion committee, chaired by Managing Director & CEO Mark Palmquist. Specifically, the committee provides a forum for driving inclusive leadership and flexible work practices.

Employees embrace Diversity & Inclusion through several employee networks that act to unite groups with a common goal across our operating geographies, supporting information flow and strengthening their purpose. **The Chickpeas** is one such group, which identifies and delivers activities and events to support women in agribusiness. The group was formed in Australia in 2017 and this year expanded to include members from GrainCorp's UK Malt business.

Ensuring a diverse and inclusive culture requires that people are treated with dignity, courtesy and respect. The prevention of bullying and harassment is foundational to this. During the year an **Anti-Bullying and Harassment Training Workshop** was rolled out, in Australia and New Zealand, to ensure employees are aware of what constitutes bullying and harassment, and the mechanisms in place to support people who feel they are in a compromised position. The workshop also reiterates the responsibilities



of supervisors, managers and human resource professionals.

This year, **iCARE**, GrainCorp's indigenous inclusion working group, ran the fifth annual **Indigenous Art Auction** which auctions off artwork created by students from participating schools in inner Sydney, Australia. Over AUD10,000 was raised, with the funds being used to support Indigenous programmes at these schools.

## Clontarf Foundation



clontarf  
foundation

GrainCorp values its relationship with the **Clontarf Foundation**, which assists young Aboriginal and Torres Strait Islander men in gaining entry to the workforce. In FY18 GrainCorp provided AUD30,000 in funding

to the foundation as well as sponsorships, employment forums, pre-employment workshops and school-based traineeships. Through this relationship, GrainCorp is afforded access to a talented pool of young men in many of our rural locations, some of whom go on to become full-time employees.

## Interview with Rob Wade, Grain Handler

### How did you come to hear of GrainCorp?

I was going to Moree Secondary College in year 10 and was involved in the Clontarf programme. They were doing a work placement programme at GrainCorp, so I put my hand up to do a traineeship alongside a school mate. This involved two days each week on site working, and then catching up on the school I'd missed at home in my own time.

### How long was it before you were offered a permanent role?

Throughout Year 11 and 12, on any day that I wasn't at school, I would ring up GrainCorp and ask for some extra days work. They were more than happy to have me, and as soon as I finished Year 12, they offered me a full-time job as a grain handler.

### What does your role involve now?

My job involves:

- Loading and unloading trucks and trains;
- Sampling grain on receipt and outload;
- Operating all types of plant/silos and equipment (tractors, bobcats, loaders, forklifts, augers, power tools and hoppers);



- Protecting and storing grain in bunkers or permanent silo storage (includes building, breaking-down and tarping bunkers);
- General housekeeping duties;
- Entering and working in confined spaces; and
- Helping at other GrainCorp sites in the area and at Brisbane port.

### What do you enjoy most about working at GrainCorp?

I enjoy the people that I'm working with. I also love driving big machinery and I love the fact that my role is so varied, with no two days being the same.

## Indspire Indigenous Scholarship



GrainCorp also supports indigenous education in Canada through our **Indspire Indigenous Scholarship**, whereby annual

scholarships worth CAD25,000 are offered to First Nation, Inuit and Metis post-secondary students. The amount is matched by the Canadian Government.

"We believe learning and education provides a solid foundation to achieve both your personal and professional goals," said GrainCorp's Director of Human Resources in North America, Dale Paul. "That's why we've partnered with Indspire to provide scholarship support to Indigenous students to help support pursuit of their goals."

"Our first talented group of recipients come from a diverse range of educational backgrounds," said Dale. "Quinn Billo is studying Civil Engineering at the University of Saskatchewan; Tyson Wesley is focusing on Business Management at Algonquin College; while April Papequash and Kirsten Webster are both Science majors at the University of Alberta."

The scholarship recipients will be offered placements at GrainCorp facilities between semesters and are

given the opportunity to become part of the Canada Malting Company's (CMC) **Maltster Training Program** upon graduation.

It's clear that with help of CMC's **Indspire Indigenous Scholarship**, the team is making incredibly worthy students' dreams come true.

### Diversity & Inclusion Key Achievements 2018



Continued to operate the Diversity & Inclusion employee resource groups



Undertook an internal equity pay and performance review



The 2017 KPI stretch target for gender balance of the senior leadership group was achieved

# Community

At GrainCorp, we are committed to playing an active and positive role in the communities in which we live and work. Community connectedness is important both for the wellbeing of our employees and for other stakeholders in our communities.

We seek to contribute in a meaningful way through our corporate donations, silo art installations, sponsorships, fundraising and volunteering activities.

## Corporate donations

The **GrainCorp Community Fund** provides financial support to organisations and projects that contribute to local community development in our operating regions around the world. During the year, key donations included:

- A CAD15,000 donation to the **Thunder Bay Regional Health Sciences Foundation** to support its cardiovascular surgery program where GrainCorp Malt's Thunder Bay site is located.
- A AUD10,000 donation to the **Bribbaree Show Society** to install electricity. The centre is located near GrainCorp's Temora site in NSW and serves as a recovery centre in times of disaster.

- A USD13,350 donation to **Fort Vancouver High School** toward the purchase of protective equipment for the school's wrestling club. The school is located near GrainCorp Malt's Vancouver, Washington plant.
- A GBP8,500 donation to the **Brechin Buccaneers**, a cricket club local to GrainCorp Malt's Arbroath plant.
- A AUD12,000 donation to the **Portland Swimming Club**, local to GrainCorp's Portland export terminal in Victoria, toward necessary pool equipment.

A strategic review of the way in which funds are administered is currently underway, to ensure the utmost efficacy in delivering community benefits.

## Fundraising and volunteering opportunities

### Eastern Australian Drought Relief Efforts

#### Rural Aid

Australia is experiencing one of the most challenging drought periods in recent history. This has been hard for many of our rural communities and we have been focused on supporting those impacted as best we can.

GrainCorp recently embarked on a workplace giving partnership with Rural Aid. Rural Aid delivers vital support services throughout rural and regional communities, ranging from mobile mental health and welfare counselling, to the distribution of goods such as diesel, water, groceries and stock feed (where available). Australian-based employees were invited to make a pre-tax donation from their pay, and GrainCorp matched the amount donated. A total of AUD28,000 was raised.

#### Assistance in offsetting the eastern Australian grain deficit

Eastern Australia is experiencing a grain shortage due to the drought, with grain needing to be imported to meet domestic demand.

GrainCorp is assisting in this process by making its supply chain available for domestic imports. The Grains team has worked diligently to find innovative ways to adapt equipment so that it can handle the imports, and will continue to explore other ways in which GrainCorp's infrastructure can be used to support the domestic distribution of grain.

#### GrainCorp & Molafos Drovers Run

We encourage and support our people to give what they can of their time and other resources, to support the charities which have meaning to them.

GrainCorp has a large presence in rural Australia and together with Molafos, a GrainCorp owned brand, created the GrainCorp & Molafos Drover's Run – an event organised to raise money for the Westpac Rescue Helicopter Service (WRHS). GrainCorp Grains has around 50 grain receival sites across Northern NSW and the Westpac Helicopter, which operates out of the Tamworth base, is a critical resource that is relied upon in emergencies. While the sites have not required assistance to date, it is important to know the service is available for the safety of our people, our customers and the wider communities.



We encourage and support our people to give what they can of their time and other resources, to support the charities that have meaning to them.



## Silo Art Trail

**Since 2015, GrainCorp has supported silo art projects with the aim of reinvigorating some of Australia's regional towns.**

In addition to allowing our sites to be transformed into works of art, GrainCorp also provides media, safety, operational and legal support on the projects.

This year in Devenish, eastern Victoria, an image of a WWI nurse was painted alongside a modern-day combat medic, ahead of Anzac Day. The artwork was painted in recognition of the changing role of women in the military and paid tribute to the town's past community members, one sixth of whom served in WWI.

GrainCorp was proud to be involved and hosted the launch in partnership with the Benalla Rural City Council, providing a BBQ breakfast staffed by the local team. The event attracted 190 local residents and special guests, together with prominent media and social media coverage.

Additionally, new artwork on the Rochester silos in Queensland was completed in July 2018, drawing visitors to the town and benefiting businesses in the community.





## Oregon Food drive

Members of the GrainCorp Malt team in Vancouver, Washington came together to support the Oregon Food Bank, a charity that provides food to those in need with a focus on nutrition and garden education programs. The team helped pull weeds, water plants and apply mulch to the food garden that grows enough vegetables, fruits, and herbs to feed over 60 people for 12 weeks. The low-income recipients receive a weekly box of seasonal foods together with easy recipe suggestions to promote healthy eating.

## GrainCorp sponsorship

GrainCorp business units support local communities through the sponsorship of a variety of activities and facilities such as swim clubs, racing events and community meetings. These sponsorships are an important way in which GrainCorp can make a positive contribution.



Community

## Key Achievements 2018



GrainCorp continued to support local communities through its Community Fund



GrainCorp employees continued to provide local skilled volunteering, donations and in-kind contributions

# Governance

Sustainability is embedded within our business practices through Our Code of Conduct and Our Values.

## Sustainability Governance

The Board is responsible for the oversight of GrainCorp's sustainability performance.

GrainCorp's Executive Leadership Team is responsible for developing the sustainability framework and monitoring performance.

Sustainability is embedded within our business practices through our Code of Conduct and our Values.

## Corporate Governance

GrainCorp's Board of Directors has overall responsibility for corporate governance and has a framework to manage corporate governance. GrainCorp's Corporate Governance Statement is available on its website: [www.graincorp.com.au](http://www.graincorp.com.au)

The board is supported by board committees including:

- Audit Committee
- Business Risk Committee
- Safety Health Environment and Governance (SHEG) Committee
- People Remuneration and Nominations Committee

The Committees comprise a majority of Non-executive Directors and meetings for each committee are held at least four times per year. The Committees are governed by a Charter, which is reviewed periodically and approved by the Board.

The SHEG Committee has specific oversight of the Group's safety, health, environment and corporate governance responsibilities, as delegated by the Board.

The SHEG Committee's objectives are to review, monitor and report to the Board on the following matters:

- Safety, health and environment risks, including systems of audit, policies, processes and controls; and
- Compliance with all applicable laws and regulations, including continuous disclosure obligations, share trading and other corporate governance responsibilities.

Further information on the tasks the Committee conducted through the year can be found in GrainCorp's Corporate Governance Statement, available on its website.



## Charters and Policies

GrainCorp subscribes to a number of economic, environmental and social charters. We have indicated in brackets whether these apply to a specific geographical area or to various sites within a particular business unit:

- ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Australia)
- Corporate Social Responsibility reporting through SEDEX (not-for-profit membership organisation dedicated to driving improvements in ethical and responsible business practices in global supply chains)
- National Pollutant Inventory (Australia)
- Biomass and Biofuel Sustainability Voluntary Scheme (Grains)
- ONSR accreditation for rail in QLD, NSW and VIC (Grains)
- Certified Sustainable Palm Oil (Oils, Grains)
- Hazard Analysis and Critical Control Points (Malt, Oils)
- FSSC 20000, Food Safety System (Canada)
- Halal and/or Kosher certification (at various sites globally)
- International Sustainability and Carbon Certification for Sustainable Canola (Grains)
- National Code of Practice for the control of Workplace Hazardous Substances (Australia)
- National Greenhouse Energy Reporting (Australia)
- TRACE International
- ISO 9001 Quality Management Systems (Australia & New Zealand (Oils), UK (Malt))
- ISO 14001 Environmental Management Systems (Australia, United Kingdom and New Zealand)
- ISO 31000 Risk Management (International)
- AS/NZ 4801 Safety Management Systems (Australia and New Zealand)
- OHSAS 18001 Occupational Health and Safety Standard (Australia, UK, Canada, USA and New Zealand)
- ISO26000 Social Responsibility (Malt)



## Code of Conduct

GrainCorp's Code of Conduct (Code) is founded on our Values, which define how we should behave towards each other, our customers, relevant stakeholders, the community and our environment. The Code naturally requires compliance with all laws, but goes beyond that, requiring our employees to hold themselves to the highest personal and professional ethics.

The Code is developed by GrainCorp's legal and HR departments in conjunction with the Executive Leadership Team. The Code is approved by the SHEG Committee and is reviewed periodically.

Every employee in GrainCorp is required to complete Code of Conduct training at the commencement of their employment, which is delivered via an online e-module, or in a face-to-face setting in some situations. The training program is administered by the Learning & Development team and is part of a broader group of induction training modules. Refresher training is provided periodically. GrainCorp's Code is published on its website and is available to the public.

# Governance

## Industry Associations

- Grain Trade Australia – nominated GrainCorp employees are members of Committees established by the Grain Trade Australia Board of Directors. Currently GrainCorp is represented on the “Trade and Market Access Committee” and the “Standards Committee”. GrainCorp Operations Limited is a general “Level A3” Member of Grain Trade Australia.
- Grain and Feed Trade Association (GAFTA) – GrainCorp’s Technical Services department is an accredited GAFTA “Analyst” in Australia, and GrainCorp Operations Limited is an approved GAFTA “Trader” in Australia and abroad.
- Australian Food & Grocery Council (AFGC) – GrainCorp employees participate in the AFGC Agribusiness Forum, which provides a strong voice and leadership on critical issues affecting agribusiness processors operating between the farm and manufacturing gate.



## Stakeholders

We recognise that stakeholders are those who have a direct or indirect impact on our business, or who are directly or indirectly affected by our business. We understand that stakeholders have the ability to influence our business outcomes, both positively and negatively, and that we need to establish and build mutually beneficial relationships.

### We consider our key stakeholders to be:

#### Stakeholders

- Community bodies
- Customers
- Debt capital providers
- Employees
- Equity research analysts
- Government
- Grower representative organisations
- Industry bodies
- Investors
- Media – national and local
- Proxy and governance advisors
- Regulators
- Suppliers

#### How we engage

GrainCorp complies with its disclosure obligations and frequently updates stakeholders with information relating to additional areas of interest.

We engage with stakeholders directly and indirectly through market updates and briefings, written updates, media statements, formal engagement processes, participating in committees and governance forums, formal submissions and community partnership activities.

#### Areas of interest

In the past year we have engaged with stakeholders on issues including financial and operational performance, regulation, corporate governance, community relations activities.

# Corporate Directory

## Chairman

Graham J Bradley AM

## Managing Director and Chief Executive Officer

Mark L Palmquist

## Non-executive Director

Rebecca P Dee-Bradbury

## Non-executive Director

Barbara J Gibson

## Non-executive Director

Peter J Housden

## Non-executive Director

Donald G McGauchie AO

## Non-executive Director

Daniel J Mangelsdorf

## Non-executive Director

Peter I Richards

## Non-executive Director

Simon L Tregoning

## Company Secretaries

Gregory Greer

Amanda Luhrmann

## GrainCorp Limited

ABN 60 057 186 035

## Registered Office

Level 28

175 Liverpool Street

Sydney NSW 2000

+61 2 9325 9100

## Company Website

[www.graincorp.com.au](http://www.graincorp.com.au)

## ASX Company Code:

GNC

## Share Registry

Link Market Services Limited

Level 12

680 George Street

Sydney NSW 2000

1300 883 034 (within Australia)

+61 1300 883 034 (outside Australia)

## Auditors

PricewaterhouseCoopers

## Feedback and further information

For further information or to provide feedback on this report, please contact the following:

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## Investors:

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**GrainCorp**  
100 YEARS OF GROWTH