

16 November 2022

The Manager, Companies
Australian Securities Exchange
Companies Announcement Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

GrainCorp Limited 2022 Annual Report

GrainCorp today announced its results for the full year ended 30 September 2022. Attached is the Appendix 4E and 2022 Annual Report including:

- Directors' Report
- Remuneration Report
- FY22 Financial Report

This announcement is authorised for market release by the GrainCorp Limited Board.

Yours faithfully,
GrainCorp Limited



Annerly Squires
Company Secretary

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GRAINCORP LIMITED
APPENDIX 4E
FOR THE YEAR ENDED 30 SEPTEMBER 2022
Results for Announcement to the Market

	Up / Down	% Movement		2022 \$ M
Revenue from ordinary activities	Up	43.3%	to	7,868.3
Net profit from ordinary activities after tax attributable to owners of GrainCorp Limited	Up	>100%	to	380.4
Net profit for the period attributable to owners of GrainCorp Limited	Up	>100%	to	380.4

Dividend Information	Amount per security (cents)	Franked amount per security at 30% tax (cents)
Final ordinary dividend per share	14.0	14.0
Final special dividend per share	16.0	16.0
Record date for determining entitlements to the final dividend		30 November 2022
Payment date for final dividend		14 December 2022

Additional Information

Net Tangible Assets per share: \$5.99 (2021: \$4.70).

Additional Appendix 4E disclosure requirements can be found in the attached Annual Report.

This report is based on the consolidated financial statements and notes which have been audited by PricewaterhouseCoopers.

Further information regarding the company and its business activities can be obtained by visiting the company's website at www.graincorp.com.au



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GrainCorp is a leading diversified Australian agribusiness, with an integrated operating model connecting growers to domestic and international consumers in over 50 countries.

Our purpose is to proudly connect with customers and rural communities to deliver value through innovation and expertise.

Cover image: GrainCorp port operations, Geelong, Victoria



Christine Sacco, Manufacturing Operator, GrainCorp Foods. West Footscray, Victoria



Our Vision

Lead sustainable and innovative agriculture through another century of growth



Our Values

Commit to safety by taking responsibility for our employees, contractors, visitors and communities

Deliver for our customers by listening and coming through for them

Lead the way through inclusivity, integrity and innovation

Own the result and be accountable for our actions

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.



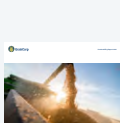
GrainCorp Silo Art in Sheep Hills, VIC



Reporting suite FY22



Annual Report



Sustainability Report



Corporate Governance Statement



Modern Slavery Statement

Interactive links



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

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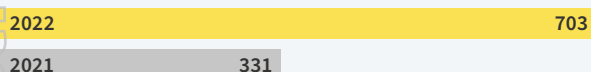
2022 highlights



Financial

\$703_m

EBITDA
Up from \$331m



\$380_m

NPAT
Up from \$139m

54cps

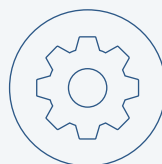
Dividends per share
Up from 18cps

\$177_m

Core cash

28%

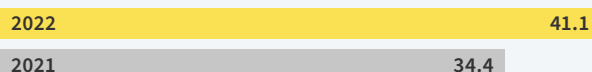
Return on invested capital
Up from 11%



Operational

41.1_m

Tonnes of grain handled
Up from 34.4m



9.2_m

Tonnes of grain exported
Up from 7.9m

11%

Increase in Foods sales
volumes in FY22

471kmt

Tonnes of oilseeds crushed
Up from 459kmt

6.7

Recordable Injury
Frequency Rate (RIFR)
Down from 8.9



Record oilseed crush volumes

In FY22, GrainCorp's two oilseed crush plants in Pinjarra, WA, and Numurkah, VIC, continued to improve their operational efficiency, crushing a record 471kmt of canola.

In addition to higher output, our Numurkah facility (pictured) also improved its energy use, from 0.69GJ/tonne to 0.65GJ/tonne, while obtaining ISCC-EU (International Sustainability Carbon Certification) enabling us to export certified canola oil into international markets for conversion to renewable fuels.

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



Sustainability and environment

0.0003_{tCO₂-e}GHG emissions per tonne
Unchanged from FY21

2022	0.003
2021	0.003

0.012_{kL}Water use per tonne
Down from 0.013

2.6% ↓

Decrease in
gender pay gap0.0005_{kL}Tradewater discharge per tonne
Down from 0.0070.025_{GJ}Energy use per tonne
Down from 0.030

2022	0.025
2021	0.030

>45_t

of tarpaulins recycled

Highlights from GrainCorp's 2022 Sustainability Report are set out on pages 18–21. The full report can be accessed at graincorp.com.au



Building our capacity to generate renewable energy

Many of GrainCorp's property assets are well-located for the generation of renewable energy and we continue to identify opportunities for the installation of behind the meter solar panels.

We already have systems in place at our sites at Wagga Wagga and Dubbo in NSW and in FY22 we installed a 70kW solar panel system at our site in Parkes, NSW.

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

Chairman's statement

I have great confidence in the outlook for GrainCorp, with our businesses performing exceptionally well and our Company in a strong financial position.

\$380m

NPAT
Up 173%

54cps

Total FY22 dividends

On behalf of the GrainCorp Board of Directors, I am pleased to deliver our FY22 Annual Report in what was a record-breaking year for our Company.

GrainCorp's NPAT of \$380 million was 173% higher than last year and the strongest result in our history. It was achieved through higher volumes, outstanding supply chain execution, and strong global demand for Australian commodities. It was also achieved against a backdrop of significant disruption to global grain markets, resulting from geopolitical instability, COVID and regional weather events including droughts and flooding.

We continued to deliver on our strategy of strengthening our core businesses while pursuing targeted growth opportunities. During the year, we delivered tangible operational improvements across both our Agribusiness and Processing supply chains. We also completed construction and commissioning of the Fraser Grains Terminal in Vancouver, B.C., through our GrainsConnect Canada (GCC) joint venture¹, which supports our ability to provide year-round supply to customers in Asia.

We made good progress on our growth initiatives and are exploring several promising opportunities in the areas of alternative protein, AgTech, animal nutrition and agri-energy. Further detail is provided in our CEO's Report.



1. Fraser Grains Terminal is 50%-owned by GCC in a joint venture with Parrish & Heimbecker.

GrainCorp continues to focus on optimising return on invested capital (ROIC), which increased to 28% this year. We maintain a disciplined approach to capital management with strict capital allocation criteria applied to all new investments. This included for the east coast Australian (ECA) network capacity upgrade project, which is expected to generate returns well above hurdle rates over the next 12 months.

Food security remains a challenge in many parts of the world, with wheat stock levels across the major exporting nations at their lowest in two decades. This imbalance has been exacerbated by hostilities in Ukraine, with major disruptions to grain exports out of the Black Sea region.

It was pleasing to see Australian grain playing a key role in meeting global demand after back-to-back bumper crops in Australia. GrainCorp's teams have worked diligently, driving our supply chains to peak capacity to deliver essential food and feed to customers around the world. We are proud of the vital role GrainCorp is playing in supporting global food security during a time of uncertainty.

I would also like to recognise the strength and resilience of our Ukrainian team as they deal with the humanitarian crisis unfolding across their country. Our priority is their safety and wellbeing, and we are working closely with the team to provide practical support, including through relocation to lower risk regions.

Safety

We strive to embed a strong safety culture in our business and promote a mindset of awareness, continuous improvement and accountability. Our teams have done a good job protecting our employees and customers during the pandemic and we continue to roll out a number of initiatives to support their ongoing health and wellbeing.

In FY22, GrainCorp recorded improvements to most key safety metrics, however there was a deterioration in the Lost Time Injury Frequency Rate (LTIFR). Improving LTIFR is a key priority for the business and further detail is provided in the CEO's Report.

Delivering shareholder value

A core feature of GrainCorp's capital management framework is maintaining a prudent capital structure and disciplined investment approach. We maintain a dividend payout ratio of 50–70% of underlying NPAT, which is applied against 'through-the-cycle' (TTC) NPAT to ensure a consistent and sustainable dividend profile.

The significant uplift in financial performance has allowed your Board to declare a final dividend for FY22 of 30 cents per share, fully franked. This is split into a 14cps ordinary dividend and 16cps special dividend; bringing total dividends for FY22 to 54cps (FY21: 18cps). GrainCorp also completed a share buy-back during the second half of FY22, delivering an additional \$50 million in capital returns to shareholders.

At 30 September 2022, GrainCorp was in a strong financial position with core cash of \$177 million. We are well placed to continue delivering value for shareholders, both through investment in our business and through further capital returns to shareholders.

Board

Our Board and Remuneration and Nominations Committee regularly reviews our Board's composition to ensure we have the right mix of skills, experience, attributes and diversity to support and provide oversight of our business.

On 1 October 2021, we welcomed two new Non-executive Directors to the GrainCorp Board, Ms Nicki Anderson and Mr Clive Stiff.

Donald McGauchie, the longest serving member on the Board, stepped down at the conclusion of our Annual General Meeting in February 2022. We thank Donald for his outstanding contribution and for his role in helping to steer the Company through de-regulation, privatisation and ultimately the amalgamation of the three state-owned enterprises that created GrainCorp as we know it today.

In August 2022, the Board established a new Sustainability Committee, with Clive Stiff appointed as Chair and members comprising Kathy Grigg and myself. The decision to elevate sustainability to Board level reflects the importance we place on this area and our considerable focus on ESG both operationally and at an industry level.

We continue to advance our ESG strategy and have made significant progress in the past 12 months. In addition to the formation of a new Sustainability Committee, we have implemented a new sustainability governance framework, allowing us to coordinate an ambitious work program while building the necessary internal capability and processes.

Supporting our communities

Last year, we launched the GrainCorp Community Foundation (GCF), a program comprising our Community Fund, Silo Art program and Volunteer Leave program for GrainCorp employees.

In its first year of operation, our team supported more than 100 community groups with funding directed to the communities in which we live and work. We were also pleased to support several new silo art projects and look forward to seeing these artworks progress in the months ahead.

Conclusion

I have great confidence in the outlook for GrainCorp, with our businesses performing exceptionally well and our Company in a strong financial position. We have a clear strategy to deliver sustainable growth and create value for our shareholders.

On behalf of the Board of Directors, I thank my GrainCorp colleagues for their ongoing commitment to serving our customers and communities, and for their contribution to such as an outstanding result.

I would also like to thank you, our shareholders, for your continued support. We look forward to continuing our strong momentum in the year ahead.



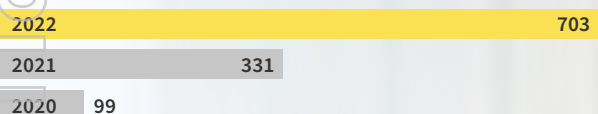
Peter Richards
Chairman and Non-executive Director

Managing Director and CEO's report

We are excited to be part of a sector that is constantly innovating and looking for bold solutions to the industry's biggest challenges.

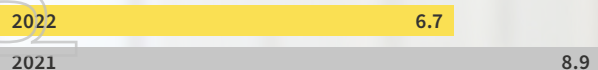
\$703_m

Underlying EBITDA
Up from \$331m



6.7

Recordable Injury Frequency Rate (RIFR)
Down from 8.9¹ in FY21



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

The 2022 financial year brought into focus the importance of food security and the challenges arising when global production and supply chains are disrupted.

The value placed on reliable grain supply has never been more evident, with global stocks diminished by weather events in many grain-producing regions and key supply chains adversely impacted by geopolitical events.

Global demand, however, has remained strong, including for Australian grain after two consecutive years of record winter production.

Both of our business segments, Agribusiness and Processing, performed extremely well in FY22, with an increase in handling and processing volumes and strong margins. Despite the significant increase in activity, we continued to drive efficiencies through our supply chains, increasing the utilisation rates of our processing, country, rail and port infrastructure assets.

Last year I described how exciting it was to play our part in bringing in the ECA bumper harvest and to see the benefits flowing to regional communities. I am delighted this momentum has continued, with a second large crop this year and another strong harvest expected in 2022/23.

This year, we continued to work closely with our grower customers to improve our in-loading and out-loading capability and to maximise the value of their grain. In preparation for the 2021/22 harvest, we built an additional 1.5mmt of storage capacity and upgraded our mobile fleet of equipment. We have continued to add capacity and capability in 2022 as we prepare for a third above-average harvest and continue to invest in service levels for our grower customers.

Sustainability

GrainCorp's vision is to lead sustainable and innovative agriculture through another century of growth. Our aim is to take a leadership role in sustainability, not only within our own operations but across the industry through our work with growers, customers, and other supply chain partners.

The agriculture industry, like all critical global industries, is looking at ways to reduce emissions. GrainCorp is participating and supporting this transition by mapping our Scope 3 carbon emissions and bringing together our global customers, Australian growers and industry experts to share experience, create opportunity and drive change in sustainability.

Last year, we undertook a significant step-change in our Environmental, Social and Governance (ESG) reporting, aligning with recognised reporting frameworks such as the Task Force on Climate-Related Financial Disclosures (TCFD), and establishing a rolling three-year roadmap of ESG activities.

In FY22, we elevated ESG governance to Board level, through the establishment of a new Board Sustainability Committee, and appointed a Head of Sustainability. We believe these steps will be critical to our ESG development and governance in the coming years.

Our Sustainability Report for FY22, released today, outlines our progress and our ongoing commitments in this area. Further detail on our ESG activities is provided on pages 18–21 of this report.

This year, we continued to work closely with our grower customers, to improve our in-loading and out-loading capability and to maximise the value of their grain.

Health, safety and wellbeing

GrainCorp's enduring commitment is to achieve zero harm to our people and to the environments in which we operate. In FY22, we were pleased to see a significant improvement in our RIFR, from 8.9 to 6.7, which is a positive outcome from the behavioural safety programs we have had in place over the past year. However, our LTIFR increased from 2.3 to 2.6, in part due to having a larger seasonal workforce. We are committed to improving our safety performance and have several initiatives underway, with a focus on injury reduction, risk management, health and wellbeing, and behavioural safety.

Financial performance and operational highlights

GrainCorp delivered a record financial result in FY22, with EBITDA of \$703 million, up 112% on FY21, and NPAT of \$380 million, up 173%.

Agribusiness reported EBITDA of \$624 million, up from \$275 million, driven by our ECA, International and Feeds, Fats and Oils (FFO) businesses. This was an exceptional performance, demonstrating the significant value of our infrastructure assets and our ability to move grain to global markets, meeting the high demand for Australian grain and generating strong supply chain margins.

The result also demonstrates the benefits of our ECA operating initiatives and cost management programs, which to date have been effective in managing inflationary pressures.

Our international business performed well, with strong origination and export margins from Western Australia. Origination from Canada was adversely impacted by drought in FY22. Conditions are expected to normalise and with the Fraser Grain Terminal in Vancouver, Canada now commissioned and our western Canadian supply chain in full operation, we expect improved performance from GrainsConnect Canada in FY23.

Our operations in Ukraine, which comprises a team of 15 in our trading business, were paused indefinitely shortly after the conflict started in February 2022. The safety of our people remains our highest priority, and we have been working closely with our Ukrainian colleagues to assist in their relocation, while providing ongoing support packages including advanced salaries and accommodation.

In Feeds, Fats & Oils (FFO), our used cooking oil (UCO) business, Auscol, delivered a strong result, with high demand for UCO in biofuel markets. Our Feeds business was marginally down on last year, with favourable weather and pasture conditions resulting in increased availability of alternative feed sources.

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Managing Director and CEO's report

Processing reported EBITDA of \$127 million, up from \$78 million last year. Our Oilseeds business delivered a significant increase in earnings, with favourable crush margins driven by strong global demand for vegetable oils. Our crush facilities in Numurkah, VIC, and Pinjarra, WA, achieved record production volumes with 471kmt of output, up 3% on last year.

Our Foods business also performed well with a substantial increase in sales volumes, benefiting from an increasingly diversified customer base and solid demand for refined vegetable oils.

Strategic priorities to drive shareholder value

In March 2021, we announced a new round of operating initiatives to deliver an additional \$40 million EBITDA per annum in our core businesses by 2023/24. These include expanding our bulk materials offering at GrainCorp ports, shifting Processing towards higher value products, and implementing LEAN practices in Foods and Oilseeds. We are well on track to deliver this uplift.

Through these initiatives and our Crop Production Contract, we have measures in place to support the base earnings of the business and provide cash flow support in drought years.

In addition to our core businesses, we are targeting new growth opportunities in areas where we can leverage our supply chain infrastructure and build on both GrainCorp's existing capabilities and our track record in research and development and innovation. For example, as one of Australia's leading suppliers of renewable fuel feedstocks – including UCO, tallow and canola oil – there are opportunities to expand our agri-energy business to take advantage of the growing global demand for these commodities in the production of biofuels. We are considering a range of options and are excited by the potential in this area.

During the year, we progressed several of our key growth areas, including:

AgTech

In May this year, we launched GrainCorp Ventures, a corporate venture capital fund that will invest up to \$30 million in AgTech start-up businesses over a three-year period. The fund will focus on the areas of analytics and optimisation, smart supply chains, biotechnology, and sustainability/circular economy. Our objective is to develop solutions to some of the fundamental challenges facing our industry and support the long-term, sustainable growth of Australian agriculture.

- We continued to work closely with AgTech company Hone, an Australian start-up that gives growers the capability to test grain, soil and crop samples on farm, through a handheld device. With a 15% stake in this business, GrainCorp is supporting Hone as it progresses its commercialisation strategy and prepares for a broader roll-out.
- GrainCorp is collaborating with Australian AgTech business Loam on a grower pilot program to test the efficacy of its seed inoculant. The inoculant delivers improvements in both yield and carbon sequestration, enabling farmers to improve their productivity and capture additional value.

Alternative protein

- During the year, we announced a collaboration with CSIRO, Australia's national science agency, and v2food, a leading plant-based food producer. Currently, the parties are working together on a research project in the fast-growing plant-based protein market and on building Australian processing and manufacturing expertise to add more value to grains and oilseeds and reduce reliance on imported ingredients. The project has received \$1.8 million in funding from the Australian Government's Cooperative Research Centres Projects (CRC-P) Program to support this research.

Outlook and conclusion

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

ABARES is forecasting another well above-average crop, however recent heavy rainfall across large parts of ECA has delayed the harvest by several weeks and continues to present challenges for growers, their communities and local businesses. We are working closely with growers to help them overcome logistical challenges presented by localised flooding events, and to ultimately help them maximise the value of their harvest.

We have a high level of grain inventory in our network and a strong export program which we expect to continue throughout FY23. The exceptionally strong margins achieved in the first half of FY22 moderated in the second half as expected, as supply from other grain-producing regions improved. Global demand for Australian grain remains strong.

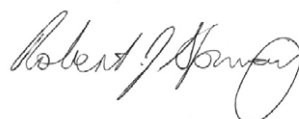
Oilseed crush margins are expected to remain favourable, and we are well positioned to operate our crushing facilities at high utilisation and continue to maximise this opportunity.

We are proud of the role GrainCorp has in connecting Australian grain to global markets, particularly in a period of such strong demand. The strategic value of our infrastructure assets has never been more evident, and we look forward to continuing improvement in our supply chains in the coming year.

We are also excited to be part of a sector that is constantly innovating and looking for bold solutions to the industry's biggest challenges. We look forward to continuing working with growers, to help drive greater productivity and enhance the value of their outputs.

I would like to thank the whole team at GrainCorp for their tremendous effort and contribution.

Thank you to all our growers, customers and shareholders for your ongoing support. To our growers, we wish you well for a safe and prosperous harvest.



Robert Spurway
Managing Director & CEO



About GrainCorp

7

Ports across ECA

>160

Grain receival sites throughout ECA

12

Marketing offices globally

475kmt

Oilseed crush capacity

290kmt

Refining, bleaching,
deodorising (RBD) capacity

Strategic
infrastructure
assets



Integrated
operations across
four continents



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

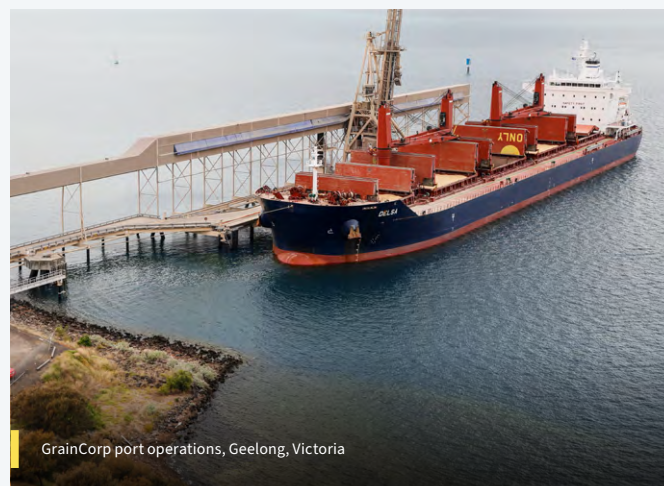
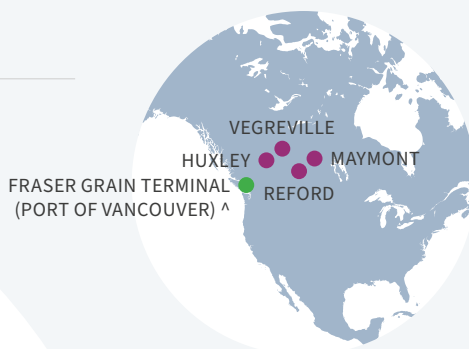


See our network map

grains.graincorp.com.au/locations/

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

GRAINSCONNECT CANADA JV*



GrainCorp port operations, Geelong, Victoria

100+ year history

GrainCorp traces its origins to 1916, when the New South Wales Government passed the Grain Elevators Act, enabling the construction of 200 grain terminals and silos across the state.

The network would be connected by rail to shipping and it would be a move towards bulk handling for the grains industry. The NSW Government controlled the elevators and terminals until 1989, when the NSW Grain Handling Authority was corporatised, paving the way for privatisation.

In 1992, a group of grain farmers bought the company from the NSW Government. Since then, GrainCorp, as it became known, has transformed from a NSW-based grain handling company into an international agribusiness with diversified operations and revenue streams. The company was listed on the Australian Securities Exchange in 1998.

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

* GrainConnect Canada, a joint venture with Zen-Noh Grain Corporation.

^ GrainConnect Canada joint venture with Parrish & Heimbecker.

How we operate

Our value chain

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 the food, feed and industrial sectors.

East Coast Australia

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.

[More information on business operations and FY22 performance.](#)

Oilseeds

Leading oilseed crusher/refiner in Australia.

Producing a range of canola oil and canola meal for domestic and international customers.

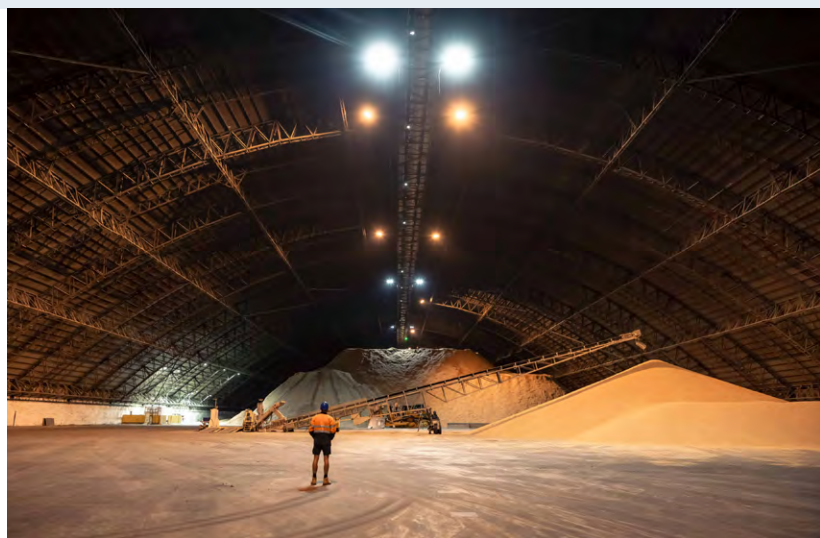
[More information on business operations and FY22 performance.](#)



Investing in our network

Our grower customers are always seeking to improve their productivity and it's important for GrainCorp to match these improvements by enhancing our own service offering.

With consecutive bumper crops in ECA, GrainCorp built an additional 1.5mmt of storage capacity to handle the increase in receivals from the 2021/22 harvest. We are planning on building additional storage in time for the 2022/23 harvest, with expectations for another well above average crop in ECA this year.



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.

[More information on business operations and FY22 performance.](#)

Foods

Leading refiner of edible fats and oils in Australia.

Supplier of ingredients for infant formula, bakery and large-scale food manufacturing industries.

[More information on business operations and FY22 performance.](#)

Feeds, Fats & Oils

Procurement, shipping, accreditation and value-added supply of tallow, vegetable oils and UCO, for delivery to food, feed and renewable fuel customers.

Manufacturer of feed solutions to meet nutritional needs and improve herd productivity.

[More information on business operations and FY22 performance.](#)

Rabia Mursaleen, Product Development
Technologist – GrainCorp Foods



Innovation through scientific research and testing

Innovation is fundamental to GrainCorp, both for our own operations and for the work we do with growers and customers. In our Foods business, we partner with our customers and communities to bring safe, reliable and essential ingredients for use in food manufacturing and preparation. Through scientific research and testing, we support the food industry in discovering new ways to meet consumers' diverse needs.

Macro trends shaping our world

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

GrainCorp is focused on monitoring these trends and understanding their potential impact to our business, our workforce, growers, customers, and partners, so that we can both manage the risks and embrace the opportunities they present.

DESCRIPTION/IMPLICATIONS

HOW WE ARE POSITIONED



Population growth/ changing demographics

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.

GrainCorp is the leading bulk handler of grain on 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.



Decarbonisation

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.

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

We have taken steps to address 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.



Disrupted global supply chains

Geopolitical and other global events such as COVID are impacting trade flows and disrupting manufacturing plants, infrastructure and transport networks. With ongoing geopolitical uncertainty, this has highlighted the importance of supply chain responsiveness and resilience.

Through end-to-end operation of our ECA supply chain, GrainCorp has full visibility of grain movement from producer to end customer.

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



Technology/digital acceleration

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.

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.



Fraser Grain Terminal, Vancouver, Canada



Diversifying our grain origination

GrainCorp originates grain from a number of markets, including Australia, Ukraine, South America, the United Kingdom and Canada. Having this diversification of supply, together with marketing offices in 12 countries, allows us to match production with destination markets through seasonal cycles. It also ensures we can supply commodities of different variety, quality and value to our customers.

Our GrainsConnect Canada joint venture, which comprises four high-capacity grain terminals and 50% ownership of the Fraser Grain Terminal (FGT) in Vancouver (pictured), is an important part of our diversification strategy and a key part of our year-round service offering to customers, particularly in Asia.

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

Our strategy

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

Strategic Priorities

Our Vision

To 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

Strengthen our 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.



Our Values

Lead the way through inclusivity, integrity and innovation

Own the result and be accountable for our actions

Deliver for our customers by listening and coming through for them

Commit to safety by taking responsibility for our employees, contractors, visitors and communities

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 – grain/bulk materials

Improving asset utilisation – ports and processing facilities

International expansion – diversifying our grain origination

Increasing ECA network capacity and fleet capabilities

Improving ROIC to 28% in FY22

Venture capital fund, GrainCorp Ventures, \$30m investment in AgTech over FY22–24

Investment in AgTech company Hone

Investment in FutureFeed – commercialising livestock feed additive to reduce GHG emissions

Plant-based protein research partnerships

Grower pilot programs to assess technology applications for crop quality, crop characteristics, carbon

Increasing renewable fuel feedstock capacity and capability

Environmental, social and governance

A sustainable future for GrainCorp is central to creating long-term value for our stakeholders.

Key achievements:



Safety, people and community

6.7

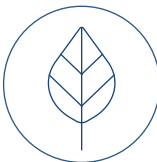
Recordable Injury Frequency Rate
Down from 8.9¹ in FY21

87%

Employees ‘satisfied’ working at GrainCorp, up from 85% in FY21

2.6%

Decrease in gender pay gap



Our environment

0.025_{GJ}

Energy use/tonne
Down from 0.030

0.012_{kL}

Water use/tonne
Down from 0.013

0.003_{tCO₂-e}

GHG emissions/tonne
Unchanged from FY21



Our integrity

Board Sustainability Committee

Established in FY22

ISCC certification

Obtained for canola crushing facility at Numurkah, VIC

Zero

Product recalls for food safety in FY22

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

Our sustainability strategy

During FY22, we continued to make significant progress on a number of Environment, Social and Governance (ESG) initiatives, building on the three-year roadmap that we introduced last year. This included expanding our stakeholder engagement to refine GrainCorp's highly material topics, measuring our Scope 3 GHG emissions, formalising our governance framework around climate risks and opportunities in line with the TCFD framework, and the introduction of several new policies in areas including human and employee rights.

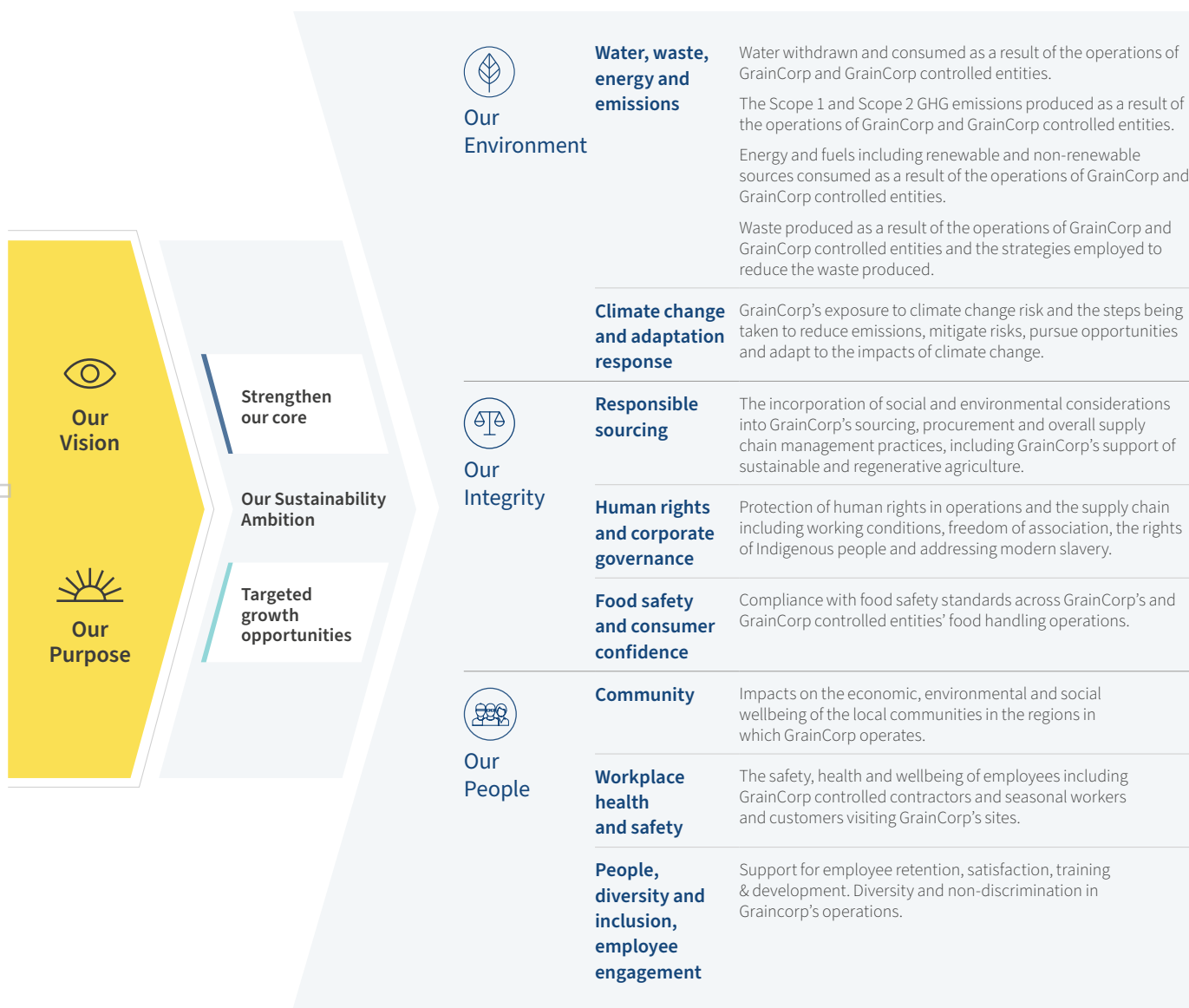
From a governance perspective, ESG was elevated to Board level in late FY22 with the establishment of a Sustainability Committee chaired by Non-executive Director Clive Stiff.

In FY22, GrainCorp introduced a sustainability strategy to capture our new governance framework, focusing on the eight material topics that were identified through stakeholder engagement.

Each material topic has a dedicated working group, comprising senior management personnel from across our business who together have the knowledge and expertise to design and embed changes to achieve our ESG vision.

Our sustainability strategy supports GrainCorp's Group strategy, which is centred around our vision to lead sustainable and innovative agriculture through another century of growth.

In 2022 we have disclosed our key priority areas and progress on each as well as sharing our TCFD risk analysis approach. We note the initiative of the ISSB (International Sustainability Standard Board) in establishing a standard and industry specific framework for ESG disclosure. As the current ISSB exposure drafts develop, we will work towards including this approach to disclosure in our reporting to meet stakeholder expectations.



Sustainability roadmap

Three-year roadmap

Last year, we set out a three-year rolling roadmap to outline a more comprehensive and systematic approach to ESG. Our 2021 Annual Report demonstrated how ESG would support GrainCorp's sustainable growth into the future and included a range of commitments for 2022.

The table below summarises our progress on this roadmap and introduces new commitments for 2023 and beyond. Further detail can be found in [GrainCorp's 2022 Sustainability Report](#).

	2022	
 Stakeholder engagement	Expand stakeholder engagement to refine highly material topics	✓
	Internal stakeholder engagement and communication program to highlight ESG topics and embed sustainability focus	✓
 Climate risk	Detailed assessment of risks and opportunities identified in 2021	✓
	Commence integration of climate risks and opportunities into GrainCorp strategy	●
	Develop a methodology for annual monitoring of risk and opportunities (including metrics) and integrate into existing risk management processes	→
	Define, identify and start to measure Scope 3 emissions in the supply chain	✓
	Develop an initial range of long-term targets for Scope 1, 2 and 3 emissions reduction	✓
	Review, formalise and disclose the governance of climate-related risks and opportunities in line with the TCFD framework	✓
	Collect all relevant data and establish action plan to achieve and improve upon 2050 net zero carbon commitment	→
 Energy, water and waste (GrainCorp's direct operations)	Disclose general waste metric	✓
	Commence process for waste segregation and measurement	→
	Identify material waste streams and develop company-wide waste reduction strategy and targets	●
 Responsible sourcing	Develop additional sourcing position statements for procured goods and services identified as high-risk	●
	Review and update Supplier Code to ensure a more comprehensive approach to ESG issues and expectations including specific environmental, land management, food waste and human rights matters	●
	Implement a centralised process for continuous assessment of Tier 1 suppliers to GrainCorp food processing operations	✓
 Human rights	Expand stakeholder engagement to identify and prioritise aspects of importance	✓
	Develop and implement Human Rights Policy	✓ ¹
	Develop and implement Employee Rights Policy	✓ ²
	Release FY21 Modern Slavery Statement and improve year on year disclosures on modern slavery	✓

1. **Human Rights Position Statement** Developed in FY22.

2. Employee rights included in Human Rights Position Statement.

For personal use only

2023		2024 and beyond
Identifying, establishing and/or enhancing relationships with additional external experts in specific ESG areas	+	Embed ongoing ESG stakeholder engagement program
Continue internal and external stakeholder engagement program		
Effective disclosure of risk management process and outcomes in the Annual Report		Refine scenario analysis for annual disclosure Report performance against targets
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		
Update environmental management system standards to include performance objectives pertaining to energy, water and waste	+	Disclose targets for energy, water and waste reduction
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	+	
Continue our comprehensive assessment of all procured goods and services to identify those deemed high-risk and develop appropriate sourcing policies and protocols		Disclose time-bound goals to address supply chain deforestation and biodiversity risk
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		
Conduct human rights risk assessment in GrainCorp's supply chain	+	Continue to develop and implement best practice human rights risk assessment, management and disclosure practice
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		

Board of Directors



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

Peter Richards BCom**Chairman and 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, Remuneration and Nominations Committee and Sustainability Committee.

Mr Richards is currently Chairman of EMECO Holdings Limited (a director since 2010) and Chairman of Spendia Limited (previously known as Cirralto Limited). He was previously Chairman of Elmore Limited (resigning in December 2021).

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. Mr Spurway has previously held the roles of Chairman of Kotahi Ltd, Deputy Chairman of Prolesur S.A in Chile and Director of DFE Pharma GmbH & Co.

Nicki Anderson BBus EMBA FAICD**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 the Craig Mostyn Group, Prostate Cancer Foundation of Australia, and the Fred Hollows Foundation.

Ms Anderson was previously Deputy Chair of Mrs Mac's Pty Ltd, a Non-executive Director of ASX listed 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 BEC, FACID, FCPA**Non-executive Director**

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

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

Ms Grigg's previous directorships include Director of SPSP Limited (formerly Suncorp Portfolio Services Ltd) (resigned September 2022), Director of Australian Pork Limited (resigned February 2020), and Director and Chair of the Audit Committee of Navy Health Limited (resigned November 2019).

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**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).

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**Non-executive Director**

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

Mr Stiff is currently the Non-executive Chair of All G Foods Pty Ltd and a member of the Quantum Advisory Board and 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 previously a Non-Executive Director of Australian Pharmaceutical Industries Limited (resigned March 2022) and Chair of the Australian Food and Grocery Council (resigned April 2020).

Mr Stiff has over 35-years of experience in fast moving consumer goods and has extensive experience in digital and supply chain transformation, strategy, corporate sustainability, ESG strategy and implementing circular economy initiatives. Mr Stiff is the former CEO of Unilever Australia & New Zealand and prior to that, held a range of senior executive roles locally with Goodman Fielder and internationally with Procter & Gamble.

Executive Leadership Team



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

Robert Spurway**Managing Director and 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 Office**

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 Administration from the Australian Graduate School of Management.

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 Fontainebleau, 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 2022 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 S Stiff
- D G McGauchie AO (retired 17 February 2022)

Details of the current members of the Board of Directors, including their experience, qualifications special responsibilities and term of office are included on page 23.

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

Ms Annerly Squires joined GrainCorp in November 2018 and is Senior Group Legal Counsel and Company Secretary. Ms Squires is responsible for the Group's Company Secretarial function. Prior to commencing at GrainCorp Ms Squires acted as Deputy Company Secretary at Pandal 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 (established in August 2022).

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 S 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 S Stiff
Sustainability Committee:	– C M S Stiff (Chair) – K M Grigg – P I Richards

Board and Board Committee Meetings

The following table sets out the number of meetings of GrainCorp's Board and Board Committees held during the 12 months to 30 September 2022.

	Number of meetings
Board	13
Audit and Risk Committee	4
Remuneration and Nominations Committee	4
Safety, Health and Environment Committee	4
Sustainability Committee (established in August 2022)	2

The number of meetings attended by each member is set out in the table below.

	Board	Audit and Risk Committee	Remuneration and Nominations Committee	Safety, Health and Environment Committee	Sustainability Committee
P I Richards	13	4	4	3 [#]	2
R J Spurway	13	4 [#]	4 [#]	4 [#]	1 [#]
N E Anderson	13	4 [#]	4	4	~
K M Grigg	13	4	4	4 [#]	2
D J Mangelsdorf	13	4	3 [#]	4	~
C M S Stiff	13	4	4 [#]	4	2
D G McGauchie	5	1 [#]	1	2 [#]	~

Attended by invitation.

~ Not a member of the relevant Committee.

Group Financial Summary

Key Results (\$M)	2018	2019	2020	2021	2022
Revenue	4,253.1	4,849.7	4,287.2	5,491.5	7,868.3
Underlying EBITDA	269.0	68.5	186.0	330.8	703.4
Underlying EBIT	115.8	(73.9)	44.2	223.7	586.1
Net profit/(loss) after tax	70.5	(113.0)	343.3	139.3	380.4
Financial Position	2018	2019	2020	2021	2022
Total assets (\$M)	3,974.7	3,875.6	2,002.1	2,697.5	3,345.0
Total equity (\$M)	1,942.2	1,836.3	1,095.3	1,205.1	1,452.7
Net assets per ordinary share (\$)	8.49	8.02	4.79	5.27	6.52
Net debt/(net debt + equity) (%)	32.4	38.2	17.9	33.2	27.1
Core debt/(core debt + equity) (%)	20.9	30.4	3.3	0.1	(13.9)
Shareholder Returns	2018	2019	2020	2021	2022
Basic earnings/(loss) per ordinary share (cents)	30.8	(49.4)	150.0	61.0	167.7
Return on equity (ROE) (%)	3.7	(4.4)	0.9	12.0	27.0
Return on invested capital (ROIC) (%)	3.5	(2.2)	1.6	11.1	27.9
Dividend per ordinary share (cents)	16.0	–	7.0	18.0	54.0
Dividend yield per ordinary share (%)	2.0	–	1.9	2.8	6.9
Business Drivers	2018	2019	2020	2021	2022
Agribusiness (mmt)					
Grain carry-in	3.3	2.3	1.5	0.7	4.3
Total ECA grain receivals (country + direct-to-port)	6.8	3.1	4.2	16.5	16.3
Grain imports	0.5	2.3	1.4	–	–
Grain exports	2.7	0.3	1.3	7.9	9.2
Domestic outload	5.6	5.8	5.1	5.0	6.4
Grain carry-out	2.3	1.5	0.7	4.3	4.9
ECA bulk materials (non-grain) handled	2.9	2.9	2.1	2.7	2.5
Total grain sales	6.9	7.7	7.8	10.1	9.6
Processing (mmt)					
Oilseed crush volumes	0.3	0.4	0.4	0.5	0.5
Foods volumes	0.2	0.2	0.2	0.2	0.2

Operating and Financial Review

Group financial analysis and commentary

Financial performance

GrainCorp's total revenue for FY22 was \$7,868 million, up from \$5,492 million in FY21, due predominantly to an increase in commodity volumes handled, and the impact of higher commodity prices.

EBITDA was \$703 million, a significant increase from last year (FY21: \$331 million), reflecting strong volumes and margins achieved across both the Agribusiness and Processing segments.

Net Profit After Tax was \$380 million, up from \$139 million in FY21, with basic earnings per share of 167.9 cents. Return on Invested Capital (ROIC) improved to 27.9% (from 11.1%).

Included in the FY22 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 2021/22 ECA winter crop (30.4mmt) exceeding the upper threshold under the terms of the contract.

There was also a \$16.9 million unrealised loss on the fair value of the Crop Production Contract recognised in 'Other Income'.

Depreciation & Amortisation expense of \$117 million was 9% higher than last year, reflecting leased assets and investment in mobile equipment and tarpaulins, each of which have relatively short asset lives.

The reported net interest cost in FY22 was \$36 million, up from \$26 million last year, due to the higher inventory and higher interest rates.

The reported tax expense was \$170 million, up from \$59 million last year, reflecting the higher profit for the Group. The effective tax rate was 30.1%. 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 2022, 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 2022, GrainCorp had core cash of \$177 million, compared to core debt of \$1 million at 30 September 2021. GrainCorp also holds an 8.5% interest in United Malt Group (ASX: UMG), which was valued at \$80 million on 30 September 2022.

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 2022, net debt was \$540 million, down from \$599 million at 30 September 2021, and net debt gearing was 27%, down from 33%.

Financial liquidity was \$1,077 million at 30 September 2022, comprising \$755 million committed undrawn bank debt facilities and \$322 million cash.

Financial performance

	Year ended 30 September	
	2022 \$M	2021 \$M
Income statement		
EBITDA		
Business segment EBITDA		
Agribusiness	624.1	275.1
Processing	127.0	77.7
Corporate (excluding UMG fair value movement)	(24.3)	(23.0)
UMG fair value movement ¹	(23.4)	1.0
Group EBITDA	703.4	330.8
Depreciation & Amortisation	(117.3)	(107.1)
Net interest cost	(36.0)	(25.9)
Tax expense	(169.7)	(58.5)
Group NPAT	380.4	139.3

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 FY22, GrainCorp paid the following dividends:

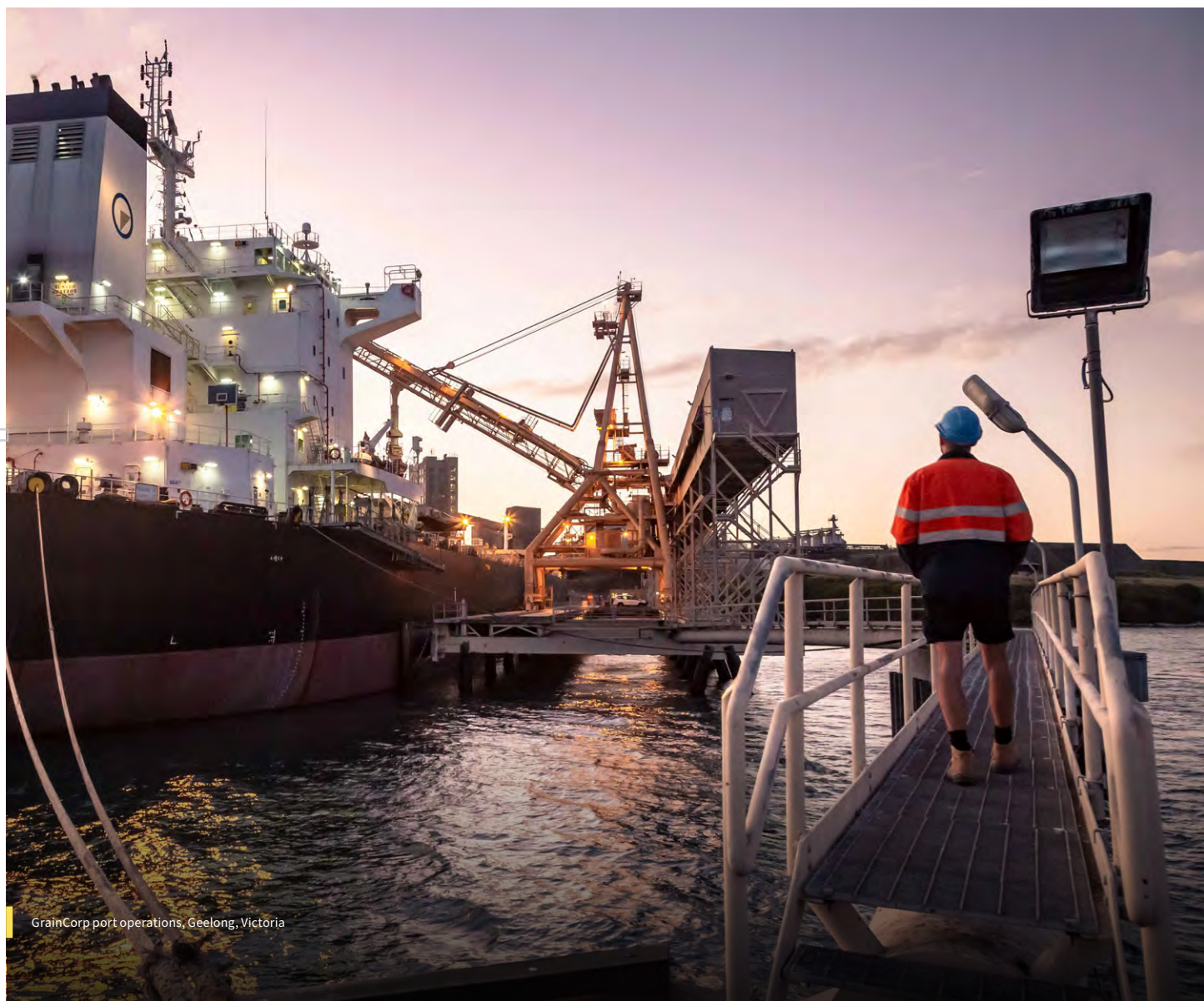
- a fully franked final ordinary dividend for FY21 of 10.0 cents per share (cps); and
- a fully franked interim dividend for FY22 of 24cps, comprising a 12cps ordinary dividend and 12cps special dividend.

The Board of Directors has approved payment of a final dividend for FY22 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 2022
- Record date: 30 November 2022
- Payment date: 14 December 2022

On-market share buy-back

On 11 November 2021, GrainCorp announced its intention to undertake an on-market share buy-back of up to \$50 million. During the year, 5,204,978 shares at a total consideration of approximately \$50 million were bought back and subsequently cancelled.



GrainCorp port operations, Geelong, Victoria

Business segment performance

Agribusiness

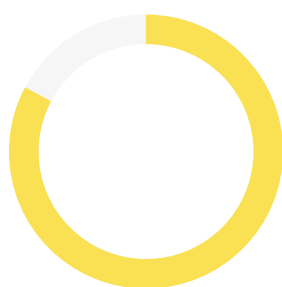
The Agribusiness business segment comprises East Coast Australia (ECA), International, and Feeds, Fats & Oils (FFO).

GrainCorp storage and receivals site,
Murchison East, Victoria

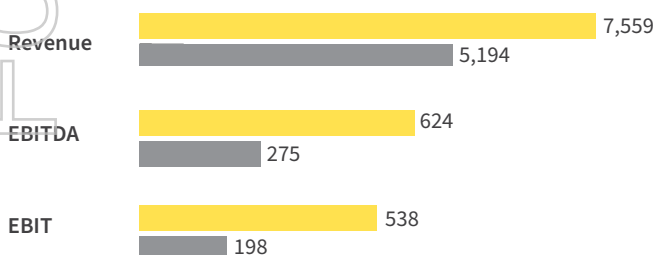
EBITDA

83%

of Group EBITDA¹



Agribusiness (\$m)



Capex and investments

● FY22
● FY21

1. Excluding Corporate EBITDA.

Key Agribusiness operating metrics

Million metric tonnes (mmt)	FY22	FY21
ECA production (total winter + sorghum) ¹	33.1	32.0
Carry-in	4.3	0.7
Receivals ²	16.3	16.5
Domestic outload	6.4	5.0
Exports ³	9.2	7.9
Carry-out	4.9	4.3
Total grain handled	41.1	34.4
Contracted grain sales – ECA (mmt)	6.1	6.7
Contracted grain sales – International (mmt)	3.5	3.4
Bulk materials (non-grain) handled (mmt) ⁴	2.5	2.7
Feeds, Fats & Oils volumes (mmt)	0.7	0.8
Auscol collection volumes (kmt)	20.1	19.4

1. ABARES' total ECA winter + sorghum production 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 Coast 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. Principal activities involve purchasing, storing, transporting, and selling agricultural commodities while managing risk across the value chain. For transportation services, we either lease the road/rail assets or contract with third parties. The main commodities that we handle are wheat, barley, canola, chickpeas and sorghum. We also utilise our port terminals to import/export bulk materials including woodchips, fertiliser, sand, sugar and cement.

GrainCorp acts as both an owner/marketer of commodities and as a third-party service provider through its 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 take a position to seek to capture a margin between prices paid to growers and prices received from customers. Derivatives are used to hedge long and short positions.

Revenue and profits in grain marketing are subject to variability in grain production, prices, the position taken and risk management processes. Ownership of supply chain infrastructure is a competitive advantage as it enables GrainCorp to source reliable supply, provide customers with consistent quality, manage logistics more effectively, and have coordinated access to storage facilities.

FY22 performance:

ECA delivered an outstanding result in FY22 due to:

- An increase in grain handled following the second consecutive bumper ECA crop.
- Elevated global demand for Australian grain and oilseeds, driven by northern hemisphere supply issues and disruptions in the Black Sea arising from the Ukraine conflict.
- Strong end-to-end supply chain margins, demonstrating the value of GrainCorp's infrastructure assets, high ECA production and strong global demand.
- Grain exports of 9.2mmt (FY21: 7.9mmt) and domestic outload of 6.4mmt (FY21: 5.0mmt).



International

GrainCorp's International business originates grain and oilseeds from regions outside of ECA – i.e. South Australia, Western Australia, South America, Ukraine, Canada and United Kingdom – and connects these commodities to customers in 50+ countries. A core objective for the business is to have 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.

FY22 performance:

The International business performed well in FY22, with strong export margins from Western Australia (WA) following the bumper WA crop, and a solid performance from Saxon Agriculture.

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

In FY22, GrainCorp was the number one Australian exporter of cereals and feed grains to several countries in Asia, including Vietnam, Japan and China.



Feeds, Fats & Oils (FFO)

FFO comprises several businesses across the animal feed and fats & oils/agri-energy sectors in Australia and New Zealand.

In Australia, GrainCorp's Feeds business manufactures and supplies molasses-based feed supplements and vegetable oil 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.

FY22 performance:

Fats & Oils performed well in FY22, with strong execution and high global pricing for renewable fuel feedstocks, e.g. UCO.

Feeds was marginally down on last year; the New Zealand business benefited from strong farmgate milk prices (and subsequent feed demand for dairy herds), whilst offset by weaker Australian demand due to favourable weather and pasture conditions (countercyclical to ECA business).

Business segment performance

Processing

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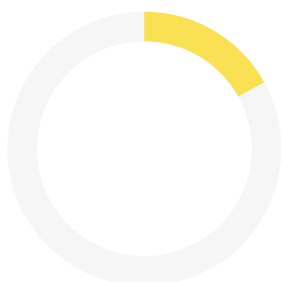
The Processing business segment comprises Oilseeds and Foods.

GrainCorp storage and receivals site,
Murchison East, Victoria

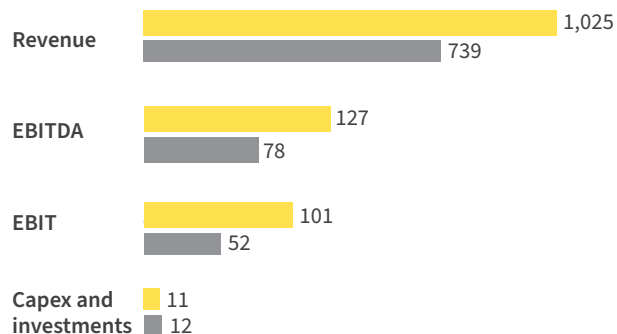
EBITDA

17%

of Group EBITDA¹



Processing (\$m)



● FY22

● FY21

1. Excluding Corporate EBITDA.



Oilseeds

GrainCorp's Oilseeds business sources canola seed from Australian growers to crush and create products including crude degummed canola oil, refined bleached canola oils and canola meal. Canola meal is a protein-rich by-product of oilseed crush which is used for animal nutrition. GrainCorp's oilseed products are used in cooking oils, spreads and shortenings, prepared foods, meal for dairy, poultry and livestock, cosmetics and lubricants, fuels and other industrial applications.

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. 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.

FY22 performance:

The Oilseeds business produced record crush volumes in FY22, with operational efficiencies delivered at GrainCorp's crushing plants at Numurkah, VIC, and Pinjarra, WA.

Oilseed crush margins were well above average, driven by strong global demand for vegetable oils arising from:

- global supply adversely impacted by weather events in key oilseed-growing regions – e.g. drought in Canada (canola), La Nina weather patterns in South America (soybean);
- vegetable oil export restrictions imposed by governments (e.g. Indonesia, Argentina, Serbia);
- the Ukraine conflict disrupting supply of vegetable oils out of Black Sea region; and
- mandates for use of renewable fuel feedstocks in biofuel production.



Foods

GrainCorp Foods produces a range of 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 2022 as certain customers chose to de-risk their exposure to overseas supply chains, switching from imported sunflower oil to locally produced canola oil.

FY22 performance:

Foods delivered an 11% increase in sales volumes in FY22, benefiting from a diversified customer base and the securing of new customer partnerships. Demand for locally grown and refined vegetable oils grew significantly, driven partially by Black Sea supply disruptions arising from the Ukraine conflict and the weather-impacted Canadian canola crop.

The Innovation team completed over 30 new product developments for customers during the year.



Food safety culture

Food safety culture refers to the attitudes, beliefs, practices and values that determine our food safety behaviour.

In FY20, we surveyed GrainCorp Foods employees to identify how we could improve our food safety culture. Based on feedback from the survey, we implemented a range of enhancements in FY22 to our communication, reward and recognition, and training programs. We were pleased to see strong increases in respondents who feel employees are recognised for their contribution to food safety, and in employees who feel confident that GrainCorp effectively trains employees.

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

FY23 outlook

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

ABARES is forecasting another well above-average crop, however recent heavy rainfall across large parts of ECA has delayed the harvest by several weeks and continues to present challenges for growers, their communities and local businesses. We are working closely with growers to help them overcome logistical challenges presented by localised flooding events, and to ultimately help them maximise the value of their harvest.

We have a high level of grain inventory in our network and a strong export program which we expect to continue throughout FY23. The exceptionally strong margins achieved in the first half of FY22 moderated in the second half as expected, as supply from other grain-producing regions improved. Global demand for Australian grain remains strong.

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.



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 receivables, 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 FY22 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 receipt and storage network in eastern Australia, investing to improve efficiency at key sites and reducing fixed costs. This year, more detailed work was undertaken across the business to better understand and mitigate negative impacts, to identify and take advantage of climate related opportunities that support our commercial objectives in line with the TCFD framework. More detailed 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 Sustainability Report.
Technology and cyber security risk	GrainCorp relies on its own and third-party information 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 information 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.

Material risk

Risk management strategies

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.

Transportation and logistics supply chain risks

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 risk

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 risks

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 obligations risk

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.

Material risk	Risk management strategies
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.
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. The war in Ukraine has impacted global trade, and supply from the Black Sea region has been disrupted with markets seeking alternative sources for grain, oilseeds and vegetable oils. GrainCorp is seeing strong demand for Australian, Canadian and UK soft commodities and is well placed to play a role in this supply.
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.
COVID-19	GrainCorp responded at each stage of the COVID-19 pandemic by putting in place all measures required to protect employees, avoid disruption to our operations and ensure full compliance with all relevant state and federal legislation. COVID-19 pandemic related disruptions continue to reverberate through global supply chains, impacting the availability of key production inputs and generating congested supply chains including international ports. These supply chain disruptions may impact on GrainCorp's operational and financial performance.

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 FY22. GrainCorp remains committed to ensuring our remuneration structure fairly reflects the performance of GrainCorp and the contribution of our employees, and is 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 FY23 changes to non-executive fees.

FY22 performance and highlights

GrainCorp delivered an outstanding financial result in FY22, with earnings before interest, tax, depreciation, and amortisation (EBITDA) of \$703 million, up 112% on last year. Return on invested capital (ROIC) was 27.9%, up from 11.1%. This was the best result in GrainCorp's history and was achieved despite numerous challenges affecting the agricultural industry, including access to labour, wet weather, COVID impacts to supply chains and geopolitical instability. The strength and resilience of our teams, their operational excellence and commitment to delivering for our customers, were all key features of the strong result. The Board is pleased with the significant value that has been delivered to our shareholders, with Total Shareholder Returns (TSR) in FY22 of 28.3%.

Remuneration outcomes for FY22

Given the record financial results for FY22, the Board believes that, within the parameters of our current remuneration structure, it is appropriate to recognise the leadership team's performance, its execution of strategy, and strong alignment to GrainCorp's values. We consider that the KMP remuneration outcomes set out in this report reflect an appropriate balance between rewarding business performance and overall shareholder outcomes.

Short-term incentive (STI) outcomes

All members of the Executive KMP achieved between 'target' and 'stretch' for each of the three performance measures – Financial, Safety and Strategy – and the STI awarded to the Executive KMP, including the MD&CEO, was 99.7% of the maximum available award.

In accordance with the terms of the award, 50% of the STI awarded will be deferred into equity, with half vesting after 12 months and the balance after 24 months.

Further details regarding the FY22 STI outcomes are set out in section 3 of this report.

Long-term incentive (LTI) outcomes

The FY20 LTI Award was tested at the end of the performance period, being 30 September 2022. Based on the strong performance against the two LTI Award measurements of Absolute Total Shareholder Return (aTSR) and Return on Capital Employed (ROCE) over the three-year performance period, 100% of the performance rights have vested for each recipient of the FY20 LTI Award.

The Board has not exercised any discretion in relation to STI outcomes or LTI vesting in FY22.

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 a market review in August 2022, the Board decided to increase the Chairman and Directors' fees to align more closely with GrainCorp's market comparator group. From FY23, the base fee for NEDs was increased by 11% and base fee for the Chairman was increased by 16%. Committee member fees have been increased by 18–27% depending on the relative volume and complexity of the work generated by each Committee.

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

Remuneration framework

The Board regularly reviews the appropriateness of our remuneration and incentive framework and the applicable performance metrics. We also continue to review market trends and use external benchmarking to ensure our remuneration framework is appropriate and aligned with shareholder interests.

The Board is confident that the FY22 remuneration outcomes for the Executive KMP reflect the outstanding performance achieved over the year and are aligned with the strong returns delivered to our shareholders.

The Board is not proposing any material changes to the STI or LTI plans for FY23.

Thank you for your continued feedback and support.



Nicki Anderson

Chair, Remuneration and Nominations Committee

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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 2022 (FY22). 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 FY22, 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 FY22.

Name	Role	Period as KMP during FY22
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 S Stiff	Non-executive Director	Full year
D G McGauchie	Non-executive Director	Until 17 February 2022
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.

Our Remuneration Strategy

To attract, retain and motivate the best people to create a great culture that delivers our business strategy and contributes to sustainable long-term returns.



Culture

We align reward to our strong risk management, high performance, diverse and inclusive culture



Alignment to performance

We reward for performance aligned to our business strategy with an emphasis on equity ownership



Market competitive

We position reward opportunity to attract and retain the best talent



Sustainable

We appropriately reward for both financial and non-financial outcomes



Simple and Transparent

We keep it simple and set clear expectations

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 FY22.

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 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

A significant proportion of executive remuneration is 'at-risk' to provide alignment with the Group's strategic objectives and shareholder interests. The percentages of total target remuneration comprising Total Fixed Remuneration (TFR), STI at target opportunity and LTI grant value (i.e., maximum LTI opportunity) for Executive KMP, are outlined in the table below.

MD&CEO	33%	33%	33%
Other Executive KMP	48% – 50%	30% – 33%	19% – 20%

● TFR ● Target STI ● LTI grant value (face value at maximum)

Executive Incentive Plans

The following table outlines the executive STI and LTI plans under which awards were made in FY22.

Table 1: Incentive plans

Element	STI	LTI																
Opportunity	The Board sets individual STI opportunity as a percentage of TFR. Individual performance is assessed against financial, safety, 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 2021.																
Performance period	One financial year.	3 years. FY22 LTI: 1 October 2021 – 30 September 2024.																
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	Executive KMP are assessed on a balanced scorecard of measures. For FY22 the measures were: – EBITDA (70%); – Safety, health and environment (10%); – Key Strategic Priorities (20%). The performance measures are reviewed annually to recognise that the business must respond to the changing business priorities and the significant variability in market conditions. Assessment of STI 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 FY22 are provided in Table 4.	FY22 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. 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. <table><tr><th>Three-year average ROIC performance</th><th>Percentage of ROIC-tested rights to vest</th></tr><tr><td>Below minimum threshold</td><td>Nil</td></tr><tr><td>Minimum performance</td><td>50%</td></tr><tr><td>Between minimum and maximum</td><td>Straight line between 50% and 100%</td></tr></table> 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. <table><tr><th>Absolute TSR</th><th>Percentage of TSR-tested rights to vest</th></tr><tr><td>Below 6%</td><td>Nil</td></tr><tr><td>6–9%</td><td>Straight line between 50% and 100%</td></tr><tr><td>9%</td><td>100%</td></tr></table> No re-testing is allowed in relation to LTI awards. Vesting of all LTI awards is subject to Board discretion.	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%	Absolute TSR	Percentage of TSR-tested rights to vest	Below 6%	Nil	6–9%	Straight line between 50% and 100%	9%	100%
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%																	
Absolute TSR	Percentage of TSR-tested rights to vest																	
Below 6%	Nil																	
6–9%	Straight line between 50% and 100%																	
9%	100%																	

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.

Table 1: Incentive plans (continued)

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 (5 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.

Table 3: Company financial performance

	2022	2021	2020	2019	2018
Underlying NPAT (\$M)	380.4	139.3	13.0	(82.0)	70.5
Statutory NPAT (\$M)	380.4	139.3	343.3	(113.0)	70.5
ROE (%)	27.0	12.0	0.9	(4.4)	3.7
ROIC (%)	27.9	11.1	1.6	(2.2)	3.5
Basic EPS (cents)	167.7	61.0	150.0	(49.4)	30.8
Annualised Total Shareholder Return (%)	28.3	73.0	7.1	1.2	(0.2)
Total dividends per share (cents)	54.0	18.0	7.0	Nil	16.0
Closing Share price (30 September) (\$)	7.80	6.34	3.78	7.91	7.90

The graph below shows GrainCorp compared to the S&P/ASX 200 Accumulation Index, annualised Total Shareholder Return (TSR) for the period 1 October 2021 to 30 September 2022³.

GrainCorp versus S&P/ASX 200 Accumulation Index Total Shareholder Return (TSR) (1 October 2021 to 30 September 2022)



This section details the FY22 Executive KMP remuneration outcomes.

FY22 TFR increases

The appointments of the MD&CEO and the Chief Financial Officer (CFO) were made at the time of the demerger of GrainCorp's malt business (March 2020) and shortly after the demerger, respectively. At that time, the Company was significantly smaller in size (based on market capitalisation) following a three-year drought in eastern Australia, and neither the MD&CEO nor the CFO had a track record or experience in their respective public company roles. The TFR of each of the MD&CEO and CFO and, where relevant, any subsequent increase to such TFR, has, to date, reflected these factors.

In Q1 of FY22, a comprehensive review and benchmarking process was undertaken in relation to the KMP TFR. The process considered a number of relevant factors including size (based on market capitalisation) and complexity relative to similar sized ASX-listed companies. The review also recognised the current external market demand for senior executive talent and the scarcity of experienced executive level candidates in the agriculture sector.

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

Following the review and benchmarking process, the MD&CEO received an 8.2% increase to his fixed remuneration for FY22, better aligning Mr Spurway's fixed remuneration with the market benchmark for this role, and for executives of similar experience and capability. In considering the fixed remuneration of the CFO, it was noted that this element had not been reviewed since Mr Morrison's permanent appointment to the CFO role in September 2020. Consequently, the Board approved a TFR increase of 8.9% for FY22, to align Mr Morrison's fixed remuneration more closely with the market. The fixed remuneration of both Mr Spurway and Mr Morrison remain below their predecessors.

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 FY22 Group Scorecard

The FY22 STI outcome for each of the Executive KMP is based on performance against a balanced scorecard of measures as set out in Table 4.

The table below outlines Executive KMP performance against scorecard measures in FY22.

Table 4: FY22 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 \$703.4 million, an increase of 112% on FY21 and the strongest financial result in GrainCorp’s history – Outstanding supply chain execution with higher grain receivables, grain exports, oilseed crush volumes and Foods sales volumes – Effective cost management, with strong margins achieved across both business segments
Safety							
Recordable Injury Frequency Rate	10%						– We continue to progress towards our zero harm ambition with stretch outcomes for three of the four Safety measures exceeded and the recordable injury frequency rate decreasing over FY22 resulting in an overall outcome moderately below stretch for Safety
Critical Injury Frequency Rate							
Safety, Health and Environment Engagements							
Critical Risk Reviews							
Strategy							
Growth of pipeline projects	20%						– Exceeded target for progression of high-potential growth opportunities through plan and execute phases – Exceeded cash flow growth target from strategic projects (e.g. crush capacity increase, ECA storage increase) – Delivered target pipeline of core and growth opportunities to support future, through-the-cycle earnings growth
Deliver cashflow/value growth from strategic projects							
Continued development of core and growth strategic initiatives							
Overall Performance Outcome							

FY22 STI outcomes

The table below outlines FY22 STI outcomes.

Table 5: FY22 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	150%	149.5%	\$1,572	\$786	\$786	0.3%
C M Hathaway	90%	149.5%	\$469	\$235	\$234	0.3%
J Morrison	90%	149.5%	\$539	\$270	\$269	0.3%
K Pamminger	105%	149.5%	\$768	\$384	\$384	0.3%

LTI outcomes

The FY20 LTI Award reached the end of the 2.5 year⁴ performance period on 30 September 2022 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.

The table below shows the aTSR vesting schedule.

Table 6: FY20 LTI aTSR performance measure results

Absolute TSR ⁵	Minimum of aTSR target range	Maximum of aTSR target range	Actual aTSR performance	Percentage of grant vesting
	6.0%	9.0%	40.7%	50% (100% of aTSR portion)

Table 7: FY20 LTI ROCE performance results

ROCE	Minimum of ROCE target range	Maximum of ROCE target range	Actual ROCE performance	Percentage of grant vesting
	8.6%	11.4%	26.4%	50% (100% of ROCE portion)

Table 8: FY20 LTI grant vesting outcomes⁶

	Amount granted (number of rights)	% of grant that vested	% of grant that was forfeited
Executive KMP			
R J Spurway	282,738	100%	–
C M Hathaway	56,547	100%	–
K Pamminger	83,333	100%	–

Board discretion

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

4. The performance period for the FY20 LTI grant was 2.5 years following the demerger of the United Malt business in March 2020.

5. aTSR is the compound annual growth rate (CAGR) of the Company's TSR over the vesting period.

6. Mr Morrison did not participate in the FY20 LTI award.

Remuneration outcomes for FY22

Remuneration for Executive KMP for FY22 and FY21 is shown in the table below.

Table 9: Statutory executive KMP remuneration disclosures

		Short-term benefits			Post-employment benefits		Other long-term benefits				Additional information		
		Base salary and fees	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	2022	1,044	163	786	24	–	767	1,150	18	3,952	(1,935)	2,728	4,745
	2021	995	189	709	22	–	336	492	16	2,759	(844)	72	1,987
C M Hathaway	2022	488	11	235	24	–	246	232	9	1,245	(487)	655	1,413
	2021	478	10	213	22	–	104	230	8	1,065	(342)	396	1,119
I Morrison	2022	573	11	270	24	–	257	140	15	1,290	(412)	148	1,026
	2021	553	8	242	22	–	101	55	9	990	(165)	93	918
K Pamminger	2022	712	27	384	24	–	410	337	19	1,913	(766)	1,000	2,147
	2021	678	42	366	22	–	177	340	18	1,643	(535)	587	1,695
Total	2022	2,817	212	1,675	96	–	1,680	1,859	61	8,400	(3,600)	4,531	9,331
	2021	2,704	249	1,530	88	–	718	1,117	51	6,457	(1,886)	1,148	5,719

7. Non-monetary benefits provided include the gross value of items such as flights, accommodation, health insurance, vehicle and tax advice.

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.

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.

Independent Remuneration Advisors

EY acts as the independent remuneration advisor to the Board and the RNC and provides guidance on market practice insights and trends in relation to executive remuneration. No remuneration recommendations as defined by the *Corporations Act 2001* (Cth) were made by EY in FY22.

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) and this remains unchanged.

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

The review undertaken in 2022 identified that the GrainCorp director fees were below the median level of the market comparator group. The Board approved an increase in Board fees for FY23 to allow GrainCorp to remain competitive in retaining and attracting experienced and capable directors in the market. The Board fee policy for FY23 remains well within the aggregate fee pool.

The fee for the Chairman of the Board has been unchanged since the demerger of the United Malt business in March 2020 and has been increased by 16% from 1 October 2022. The Board Fee Policy for FY22 and FY23 is outlined in Table 10.

Table 10: Board fee policy

	FY22		FY23	
	Chair	Member	Chair	Member
Board fees (\$) inclusive of superannuation (\$'000's)				
Board	270.0	112.8	312.5	125.0
Board Committees				
Audit and Risk Committee	22.5	11.0	28.0	14.0
Remuneration and Nominations Committee	20.5	11.0	26.0	13.0
Safety Health and Environment Committee	20.5	11.0	26.0	13.0
Sustainability Committee	20.5	11.0	26.0	13.0

Remuneration for Non-executive KMP for FY22 and FY21 is shown in the table below.

Table 11: Statutory NED remuneration disclosures

	Year	Base salary and fees \$'000	Superannuation benefits \$'000	Other benefits \$'000	Total \$'000
Non-executive Directors					
P I Richards	2022	248	24	–	272
	2021	249	25	–	274
N E Anderson	2022	128	13	–	141
	2021	–	–	–	–
K M Grigg	2022	134	14	–	148
	2021	141	16	–	157
D J Mangelsdorf	2022	139	13	–	152
	2021	139	15	–	154
C M S Stiff	2022	125	13	–	138
	2021	–	–	–	–
Former Non-executive Directors					
D G McGauchie	2022	47	5	–	52
	2021	139	15	–	154
Total	2022	821	82	–	903
	2021	668	71	–	739

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 FY22

	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	544,565	276,121	11,284	–	809,402	349,690
C M Hathaway	172,829	66,185	62,489	–	176,525	79,209
I Morrison	54,320	75,614	–	–	129,934	18,975
K Pamminger	255,675	103,464	92,579	–	266,560	121,303

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 2022 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 FY22

Equity granted							Vested in FY22		
	Plan ¹¹	Number of rights	Grant date	Fair value at grant \$'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 2022	164,786	25-Feb-22	1,121	2024	747	–	–	–
	DEP 2021	111,335	25-Feb-22	863	2022 and 2023	144	50%	–	55,668
	LTI 2021	239,259	5-Mar-21	726	2023	242	–	–	–
	DEP 2020	22,568	23-Dec-20	97	2021 and 2022	–	50%	–	11,284
	LTI 2020	282,738	5-Mar-21	912	2022	–	100%	–	282,738
C M Hathaway	LTI 2022	32,746	25-Feb-22	223	2024	148	–	–	–
	DEP 2021	33,439	25-Feb-22	259	2022 and 2023	43	50%	–	16,720
	LTI 2021	47,851	5-Mar-21	145	2023	48	–	–	–
	DEP 2020	11,884	23-Dec-20	52	2021 and 2022	–	50%	–	5,942
	LTI 2020	56,547	29-May-20	186	2022	–	100%	–	56,547
I Morrison	LTI 2022	37,665	25-Feb-22	256	2024	171	–	–	–
	DEP 2021	37,949	25-Feb-22	294	2022 and 2023	49	50%	–	18,975
	LTI 2021	54,320	5-Mar-21	165	2023	55	–	–	–
K Pamminger	LTI 2022	46,015	25-Feb-22	313	2024	209	–	–	–
	DEP 2021	57,449	25-Feb-22	445	2022 and 2023	74	50%	–	28,725
	LTI 2021	70,518	5-Mar-21	214	2023	71	–	–	–
	DEP 2020	18,491	23-Dec-20	80	2021 and 2022	–	50%	–	9,245
	LTI 2020	83,333	29-May-20	274	2022	–	100%	–	83,333

11. DEP 2022 for Executive KMP will be granted after the end of the financial year and will therefore be reported in the FY23 report.

Shares held by KMP

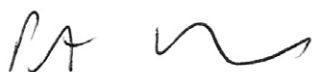
KMP have a relevant interest in the following number of shares in the Company as at the date of this report.

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	–	–	–	–
K M Grigg	8,000	–	–	8,000
D J Mangelsdorf	15,528	–	–	15,528
C M S Stiff	–	–	–	–
Executive KMP				
R J Spurway	1,220	11,284	–	12,504
C M Hathaway	–	62,489	(62,489)	–
I Morrison	35,805	–	–	35,805
K Pamminger	61,902	92,579	(51,500)	102,981

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 2022



Auditor's Independence Declaration

As lead auditor for the audit of GrainCorp Limited for the year ended 30 September 2022, 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.

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

Eliza Penny
Partner
PricewaterhouseCoopers

Sydney
16 November 2022

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2022 Financial Report

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Consolidated Income Statement

For the year ended 30 September 2022

	Note	2022 \$ M	2021 \$ M
Revenue	1.2	7,868.3	5,491.5
Other income / (loss)	1.3	(398.5)	(21.4)
Goods purchased for resale		(5,504.7)	(4,155.5)
Raw materials and consumables used		(673.3)	(499.8)
Employee benefits expense	1.4	(382.4)	(322.0)
Finance costs		(37.5)	(26.1)
Depreciation and amortisation		(117.3)	(107.1)
Repairs and maintenance		(61.1)	(45.3)
Other expenses	1.4	(130.7)	(107.0)
Share of results of investments accounted for using the equity method	4.4	(12.7)	(9.5)
Profit before income tax		550.1	197.8
Income tax expense	1.5	(169.7)	(58.5)
Profit after tax		380.4	139.3

	Note	2022 Cents	2021 Cents
Earnings per share attributable to owners of GrainCorp Limited			
Basic earnings per share	1.6	167.7	61.0
Diluted earnings per share	1.6	166.6	60.7

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 2022

	Note	2022 \$ M	2021 \$ M
Profit for the year		380.4	139.3
Other comprehensive income			
<i>Items that may be reclassified to profit and loss:</i>			
Changes in fair value of cash flow hedges		5.4	0.1
Income tax relating to these items	1.5	(3.3)	(0.1)
Exchange differences on translation of foreign operations		(7.7)	5.0
Other comprehensive (loss) / income for the year, net of tax		(5.6)	5.0
Total comprehensive income for the year, net of tax		374.8	144.3

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 2022

	Note	2022 \$ M	2021 \$ M
Current assets			
Cash and cash equivalents	2.2	322.4	126.6
Trade and other receivables	3.1	630.2	510.7
Inventories	3.2	857.5	665.6
Derivative financial instruments	2.6	423.7	234.3
Assets classified as held for sale		0.1	1.0
Total current assets		2,233.9	1,538.2
Non-current assets			
Derivative financial instruments	2.6	5.6	5.7
Investments in other entities	2.6	84.6	108.5
Deferred tax assets	1.5	18.3	30.3
Property, plant and equipment	3.3	663.8	668.1
Right of use assets	3.5	190.1	189.2
Intangible assets	3.4	99.0	102.4
Investments accounted for using the equity method	4.4	49.7	55.1
Total non-current assets		1,111.1	1,159.3
Total assets		3,345.0	2,697.5
Current liabilities			
Trade and other payables	3.6	278.4	280.1
Deferred revenue		30.0	14.0
Lease liabilities	3.5	37.8	31.7
Borrowings	2.1	712.5	575.8
Derivative financial instruments	2.6	271.2	159.5
Current tax liabilities		112.6	0.6
Provisions	3.7	57.3	47.0
Total current liabilities		1,499.8	1,108.7
Non-current liabilities			
Trade and other payables	3.6	10.1	11.1
Lease liabilities	3.5	203.5	210.1
Borrowings	2.1	150.0	150.0
Derivative financial instruments	2.6	19.5	5.1
Deferred tax liabilities	1.5	0.1	0.1
Provisions	3.7	9.3	7.3
Total non-current liabilities		392.5	383.7
Total liabilities		1,892.3	1,492.4
Net assets		1,452.7	1,205.1
Equity			
Contributed equity	2.3	516.6	570.6
Reserves		21.0	23.3
Retained earnings		915.1	611.2
Total equity		1,452.7	1,205.1

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 2022

	Hedging reserve	Capital reserve	Share option reserve	Translation reserve	Total reserves	Contributed equity	Retained earnings	Total equity
	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M
At 30 September 2020	1.6	8.3	2.9	3.5	16.3	572.8	506.2	1,095.3
Profit for the year	-	-	-	-	-	-	139.3	139.3
Other comprehensive income:								
Exchange differences on translation of foreign operations	-	-	-	5.0	5.0	-	-	5.0
Changes in fair value of cash flow hedges	0.1	-	-	-	0.1	-	-	0.1
Deferred tax expense	(0.1)	-	-	-	(0.1)	-	-	(0.1)
Total other comprehensive income	-	-	-	5.0	5.0	-	-	5.0
Total comprehensive income for the year	-	-	-	5.0	5.0	-	139.3	144.3
Transactions with owners:								
Dividends paid	-	-	-	-	-	-	(34.3)	(34.3)
Share-based payments (note 5.2)	-	-	2.3	-	2.3	-	-	2.3
Treasury shares vested to employees	-	-	(0.3)	-	(0.3)	0.3	-	-
Treasury shares purchased	-	-	-	-	-	(2.5)	-	(2.5)
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	(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	-	-	-	-	-	-	(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

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 2022

	Note	2022 \$ M	2021 \$ M
Cash flows from operating activities			
Receipts from customers		8,589.4	5,845.3
Payments to suppliers and employees		(7,979.2)	(5,589.6)
		610.2	255.7
Proceeds from bank loans – inventory funding		111.8	417.9
Payments for commodity inventories		(119.1)	(395.9)
Interest received	1.3	1.5	0.2
Interest paid		(37.5)	(26.1)
Income taxes paid		(47.3)	(0.4)
Net outflow from crop production contract	1.3	(75.9)	(75.9)
Net cashflows from operating activities	2.2	443.7	175.5
Cash flows from investing activities			
Payments for property, plant and equipment and computer software		(80.8)	(54.6)
Proceeds from sale of property, plant and equipment		2.3	25.5
Payments for investments		(5.7)	(26.2)
Proceeds from sale of investments		-	0.2
Dividends received		1.3	2.4
Loans granted to related parties		(21.2)	-
Net cashflows from investing activities		(104.1)	(52.7)
Cash flows from financing activities			
Proceeds from borrowings		1,522.1	1,314.7
Repayment of borrowings		(1,497.8)	(1,367.8)
Principal elements of lease payments		(36.6)	(31.0)
Dividends paid	2.4	(76.5)	(34.3)
Payments for share buy-back	2.3	(50.0)	-
Treasury shares purchased		(5.0)	(2.5)
Net cashflows from financing activities		(143.8)	(120.9)
Net increase in cash and cash equivalents		195.8	1.9
Cash and cash equivalents at the beginning of the year		126.6	124.7
Cash and cash equivalents at the end of the year	2.2	322.4	126.6

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2022

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 2022 was authorised for issue in accordance with a resolution of the Directors on 16 November 2022. 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 10th of a million 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
- v. does not early adopt any Australian Accounting Standards and Interpretations that have been issued or amended but are not yet effective.

The 2021 comparative information within the consolidated income statement has been reclassified between goods purchased for resale and raw materials and consumables used by \$254 million, to improve comparability.

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 2022. 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.

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

There are no new or revised Standards issued by the Australian Accounting Standards Board (AASB) that are relevant to GrainCorp's operations that are effective for this financial year.

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 a 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 underlying EBITDA. EBITDA is a non-IFRS measure representing earnings before net interest, tax, depreciation and amortisation.

b) Performance of segments

	Agribusiness	Processing	Reportable segments	Corporate	Eliminations	Total
2022	\$ M	\$ M	\$ M	\$ M	\$ M	\$ 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 joint ventures	(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 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)

1.1 Segment information (continued)

2021	Agribusiness	Processing	Reportable segments	Corporate	Eliminations	Total
	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M
Reportable segment revenue						
External revenue	4,779.0	712.5	5,491.5	-	-	5,491.5
Intersegment revenue	414.6	26.1	440.7	-	(440.7)	-
Total reportable segment revenue	5,193.6	738.6	5,932.2	-	(440.7)	5,491.5
Reportable segment result	284.1	77.7	361.8	(20.5)	-	341.3
Share of results of joint ventures	(9.0)	-	(9.0)	(0.5)	-	(9.5)
Net change in fair value of investments	-	-	-	(1.0)	-	(1.0)
EBITDA	275.1	77.7	352.8	(22.0)	-	330.8
Lease interest	(6.3)	(1.1)	(7.4)	(0.1)	-	(7.5)
Net interest	(13.5)	(1.3)	(14.8)	(3.6)	-	(18.4)
Depreciation and amortisation	(77.5)	(25.5)	(103.0)	(4.1)	-	(107.1)
Profit / (loss) before income tax	177.8	49.8	227.6	(29.8)	-	197.8
Other segment information						
Capital expenditure	42.5	11.8	54.3	0.3	-	54.6
Reportable segment assets	1,902.6	529.8	2,432.4	265.1	-	2,697.5
Reportable segment liabilities	(1,140.3)	(190.1)	(1,330.4)	(162.0)	-	(1,492.4)

c) Geographical information

	2022	2021
Non-current assets based on geographical location of assets: ¹	\$ M	\$ M
Australasia	1,040.0	1,066.3
North America	43.3	52.7
Europe	3.1	3.6
Asia	0.8	0.7
	1,087.2	1,123.3

¹ Excludes derivative financial instruments and deferred tax assets.

1.2 Revenue

Total revenue from external customers	2022			2021		
	Agribusiness \$ M	Processing \$ M	Total \$ M	Agribusiness \$ M	Processing \$ M	Total \$ M
Reportable segment revenue						
Sale of commodities	5,727.4	-	5,727.4	3,850.4	-	3,850.4
Sale of finished goods	141.6	1,008.8	1,150.4	111.3	712.4	823.7
Service and other revenue	976.2	-	976.2	802.6	-	802.6
Rental income	14.3	-	14.3	14.8	-	14.8
External segment revenue	6,859.5	1,008.8	7,868.3	4,779.1	712.4	5,491.5
Australasia	1,920.1	882.7	2,802.8	1,463.3	647.3	2,110.6
North America	727.6	7.9	735.5	156.1	0.5	156.6
Europe	1,539.1	-	1,539.1	974.8	-	974.8
Asia	2,375.4	118.1	2,493.5	1,760.7	64.3	1,825.0
Middle East and North Africa	294.8	-	294.8	416.1	-	416.1
Other	2.5	0.1	2.6	8.1	0.3	8.4
Revenue by location of customer	6,859.5	1,008.8	7,868.3	4,779.1	712.4	5,491.5
Revenue recognised at point in time	6,821.7	1,008.8	7,830.5	4,745.9	712.4	5,458.3
Revenue recognised over time	37.8	-	37.8	33.2	-	33.2
Total external segment revenue	6,859.5	1,008.8	7,868.3	4,779.1	712.4	5,491.5

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 2022 will be recognised in the Consolidated Income Statement in 2023 (2021 all recognised in 2022).

1.3 Other income

	Note	2022 \$ M	2021 \$ M
Net (loss) / gain on derivative / commodity trading:			
Net realised loss on financial derivatives		(265.2)	(144.2)
Net realised (loss) / gain on foreign currency derivatives		(51.6)	83.1
		(316.8)	(61.1)
Net unrealised gain on financial derivatives		15.9	5.5
Net unrealised loss on foreign currency derivatives		(71.2)	(69.9)
Net unrealised gain on commodity contracts (forward purchases and sales)		134.6	107.1
Fair value change on commodity inventories at year end	2.6b	(63.4)	45.0
		15.9	87.7
Net realised loss on crop production contract ²		(75.9)	(75.9)
Net unrealised (loss) / gain on fair value of crop production contract		(16.9)	5.3
		(92.8)	(70.6)
Net loss on derivative / commodity trading		(393.7)	(44.0)
Gain on sale of investments and property, plant and equipment		1.3	8.3
Net change in fair value of investments		(23.5)	(1.0)
Dividend income		1.3	2.4
Interest income		1.5	0.2
Reversal of prior period impairment on sale of property, plant and equipment		-	2.3
Sundry income		14.6	10.4
Total other (loss) / income		(398.5)	(21.4)

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 as at 30 September. 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.
- › **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.

1.4 Other expenses

	2022 \$ M	2021 \$ M
Employee benefits expense		
Defined contribution superannuation	13.7	12.6
Other employee benefits	368.7	309.4
Total employee benefits expense	382.4	322.0
Other expenses		
Consulting	17.0	8.0
Software maintenance	16.9	15.8
Insurance	16.8	12.6
Rates and taxes	11.6	10.3
Lease expense	8.6	10.5
Research and development	5.0	3.3
Motor vehicle	7.4	7.3
Legal	4.4	3.5
Travel	6.4	2.6
Communication	4.0	4.0
Employee related expenses	5.3	5.9
Memberships and subscriptions	2.9	3.2
Derecognition of software-as-a-service	-	4.0
Other	24.4	16.0
Total other expenses	130.7	107.0

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

	2022 \$ M	2021 \$ M
Income tax expense		
Income tax expense / (benefit) recognised in consolidated income statement		
Current tax	159.4	(0.4)
Deferred tax	8.6	58.4
Under provision in prior years	1.7	0.5
	169.7	58.5
Reconciliation to effective tax rate		
Profit before income tax expense	550.1	197.8
Add: equity accounted loss not subject to taxation	12.7	9.5
Profit subject to tax	562.8	207.3
Income tax expense calculated at 30% (2021: 30%)	168.8	62.2
<i>Tax effect of amounts which are not deductible / (taxable) in calculating taxable income</i>		
Non-deductible / non-assessable items	(0.6)	0.7
Recognition of previously unrecognised tax losses	-	(4.3)
Under provision in prior years	1.7	0.5
Difference in overseas tax rates	(0.3)	(0.6)
Income tax expense	169.7	58.5
Effective tax rate³	30.1%	28.2%
Tax expense relating to items of other comprehensive income		
Change in fair value of cash flow hedges	3.3	0.1

b) Deferred tax assets and liabilities

	2022 \$ M	2021 \$ M
Deferred tax assets		
The balance comprises temporary differences attributable to:		
Tax losses recognised	1.7	5.6
Provisions and accruals	39.6	33.2
Deferred revenue	11.5	7.2
Leases	15.0	16.0
Intangible assets	5.8	5.3
Other	12.8	12.8
Set-off deferred tax liabilities pursuant to set-off provision	(68.1)	(49.8)
Net deferred tax assets	18.3	30.3
Movements:		
Opening balance at 1 October	30.3	89.1
Recognised in the income statement	(12.0)	(58.8)
Closing balance at 30 September	18.3	30.3

³ 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)

	2022 \$ M	2021 \$ M
Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Property, plant and equipment	8.6	8.9
Unrealised gains on derivative contracts	46.0	20.6
Investments	8.9	16.3
Other	4.7	4.1
Set-off deferred tax liabilities pursuant to set-off provision	(68.1)	(49.8)
Net deferred tax liabilities	0.1	0.1
Movements:		
Opening balance at 1 October	0.1	0.3
Recognised in the income statement	(3.4)	(0.4)
Recognised in other comprehensive income	3.3	0.1
Exchange differences	0.1	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

	2022	2021
Earnings per share attributable to owners of GrainCorp Limited		
Basic earnings per share (Cents)	167.7	61.0
Diluted earnings per share (Cents)	166.6	60.7
Weighted average number of ordinary shares - basic	226,896,901	228,513,969
Adjustment for calculation of diluted earnings per share (performance rights)	1,448,705	920,706
Weighted average number of ordinary shares - diluted	228,345,607	229,434,675

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

2.1 Borrowings

	2022 \$ M	2021 \$ M
Total borrowings	862.5	725.8
Cash and cash equivalents	(322.4)	(126.6)
Net debt	540.1	599.2
Commodity inventory	(717.1)	(598.0)
Core (Cash) / debt	(177.0)	1.2
Total equity	1,452.7	1,205.1
Core (Cash) / debt gearing ratio	(14%)	0%

	2022 \$ M	2021 \$ M
Current		
Commodity inventory funding facilities - secured	626.1	514.3
Working capital - unsecured	86.4	61.5
Total current borrowings	712.5	575.8
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 \$569.2m (2021: \$467.5m).

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:

	As at 9 November 2022		As at 30 September 2022
	Maturity date	Principal facility amount \$ M	Amount utilised \$ M
2022			
Term debt	March 2025	150.0	150.0
Commodity inventory funding ⁴	November 2023	2,271.5	626.1
Working capital ⁵	November 2023	545.0	79.2
Working capital	December 2023	15.6	7.2
Total financing arrangements		2,982.1	862.5

	As at 5 November 2021		As at 30 September 2021
	Maturity date	Principal facility amount \$ M	Amount utilised \$ M
2021			
Term debt	March 2025	150.0	150.0
Commodity inventory funding	November 2022	1,881.0	514.3
Working capital	November 2022	595.0	60.4
Working capital	December 2023	13.8	1.1
Total financing arrangements		2,639.8	725.8

⁴ The maturity date and principal facility amount for the inventory funding facility is as at 9 November 2022. Subsequent to balance date, the maturity date was extended from November 2022 to November 2023 and the principal facility amount changed from \$1,881 million to \$2,272 million. This facility is renewed subsequent to balance date each year to align with the seasonal requirements of the Group.

⁵ The maturity date and principal facility amount for the working capital facility is as at 9 November 2022. Subsequent to balance date, the maturity date was extended from November 2022 to November 2023 and the principal facility amount changed from \$595 million to \$545 million.

2.2 Cash and cash equivalents

	2022 \$ M	2021 \$ M
Cash at bank and on hand	146.4	118.0
Deposits at call	176.0	8.6
Total cash and cash equivalents	322.4	126.6

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	2022 \$ M	2021 \$ M
Profit for the year		380.4	139.3
Net profit on sale of non-current assets	1.3	(1.3)	(8.3)
Reversal of prior year impairment		-	(2.3)
Non-cash employee benefits expense – share-based payments	5.2	4.3	2.3
Share of results of joint ventures not received as dividends	4.4	12.7	9.5
Depreciation and amortisation		117.3	107.1
Derecognition of intangible assets and property, plant and equipment		-	5.3
Net change in fair value of investments	1.3	23.5	1.0
		536.9	253.9
Changes in operating assets and liabilities:			
(Increase) / decrease in inventories		(79.8)	29.6
Decrease in deferred tax		12.0	58.6
Increase in derivatives		(58.3)	(50.3)
Increase in receivables		(119.5)	(250.1)
Increase in trade payables		7.3	128.9
Increase in other liabilities		28.3	7.0
Increase / (decrease) in provisions		2.3	(2.4)
Increase in provision for income tax		114.5	0.3
Net cashflows from operating activities		443.7	175.5

b) Net debt reconciliation

	Operating activities		Financing activities		Total
	Cash and cash equivalents	Inventory funding facilities	Short-term facilities	Term funding facilities	
	\$ M	\$ M	\$ M	\$ M	\$ M
Net debt as at 30 September 2020	(124.7)	96.3	117.6	150.0	239.2
Cash flow s	(1.9)	418.0	(53.4)	-	362.7
Foreign exchange movements	-	-	(2.7)	-	(2.7)
Net debt as at 30 September 2021	(126.6)	514.3	61.5	150.0	599.2
Cash flow s	(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

2.3 Contributed equity

Consolidated and Company	2022		2021	
	Number	\$ M	Number	\$ M
Fully paid ordinary shares	223,650,650	522.8	228,855,628	572.8
Less: Treasury shares	(767,548)	(6.2)	(500,000)	(2.2)
Total consolidated contributed equity	222,883,102	516.6	228,355,628	570.6

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-20 Balance brought forward	228,855,628	572.8
30-Sep-21 Total contributed equity - Company	228,355,628	570.6
Share buy-back	(5,204,978)	(50.0)
Treasury shares	(267,548)	(4.0)
30-Sep-22 Total consolidated contributed equity	222,883,102	516.6

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.

During the year, 500,000 shares were acquired on market for an average price of \$10.07 (2021: 592,583 shares; average price \$4.42). Under the employee share plans, 645,017 rights were granted or issued during the year (2021: 858,348). At 30 September 2022, the aggregate amount of unvested performance rights of 1,670,678 (2021: 1,258,112) is set out in note 5.2.

Share buy-back

During the year ended 30 September 2022, GrainCorp conducted an on-market share buy-back of 5,204,978 ordinary shares for the total consideration of \$50 million. The buy-back was conducted in the ordinary course of trading at an average price per share of \$9.61.

2.4 Dividends

	2022 \$ M	2021 \$ M
Dividends paid in the year:		
Final fully franked dividend for the year ended 30 September 2021 of 10 cents (2020: 7 cents)	22.9	16.0
Interim fully franked dividend for the half-year ended 31 March 2022 of 12 cents (2021: 8 cents)	26.8	18.3
Interim special franked dividend for half-year ended 31 March 2022 of 12 cents (2021: nil)	26.8	-
Total dividends paid	76.5	34.3

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 2022.

Final fully franked dividend for the year ended 30 September 2022 of 14 cents (2021: 10 cents)	31.3
Final special franked dividend for the year ended 30 September 2022 of 16 cents (2021: nil)	35.8

2.4 Dividends (continued)

Franking credits available

	2022 \$ M	2021 \$ M
Franking credits available for the subsequent financial year	15.0	0.5

The franking credits available to the Group at 30 September 2022, 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 \$15.0 million.

The franking account balance fluctuates during the year as a result of the timing of income tax instalment and dividend payments. Whilst the franking account balance fluctuates, the instalment tax payments on account for the 2023 financial year will be made after 30 September 2022. This will generate sufficient franking credits to enable the final 2022 dividend to be fully franked. 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 \$28.7 million.

2.5 Commitments and guarantees

a) Financial commitments

	2022 \$ M	2021 \$ M
Capital expenditure commitments		
Total capital expenditure contracted for at the reporting date but not provided for in payables:		
- Not later than one year	19.1	7.6
Total capital expenditure commitments	19.1	7.6

b) Financial guarantees

Financial guarantees are provided by Group entities as follows:

- 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 (2021: \$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.
- The Group enters into guarantees as part of the normal course of business. At 30 September 2022, these guarantees amounted to \$142.9 million (2021: \$156.0 million). This includes a guarantee of \$127.3 million (2021: \$140.0 million) specific to the Crop Production Contract. The Directors do not believe any claims will arise in respect of these guarantees.
- 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.
- The Group has a guarantee of \$96.5 million (2021: \$113.5 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.

	2022 \$ M	2021 \$ M
<i>Financial assets at amortised cost</i>		
Cash and cash equivalents	322.4	126.6
Trade and other receivables	559.0	442.7
<i>Financial assets at fair value through profit and loss</i>		
Equity investments	84.6	108.5
Derivative financial instruments	417.7	238.7
<i>Financial assets at fair value through other comprehensive income</i>		
Derivative financial instruments	11.6	1.3
<i>Financial liabilities at amortised cost</i>		
Trade and other payables	278.6	280.3
Borrowings at amortised cost	862.5	725.8
<i>Financial liabilities at fair value through profit and loss</i>		
Derivative financial instruments	284.3	163.0
<i>Financial liabilities at fair value through other comprehensive income</i>		
Derivative financial instruments	6.4	1.6

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 2022	Level 1 \$ M	Level 2 \$ M	Level 3 \$ M	Total \$ M
Current assets				
<i>Derivative financial instruments – fair value through profit and loss</i>				
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
<i>Derivative financial instruments – cash flow hedge</i>				
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				
<i>Derivative financial instruments – fair value through profit and loss</i>				
Commodity futures and options	1.6	-	-	1.6
Commodity contracts (forward purchases and sales)	-	-	0.4	0.4
<i>Derivative financial instruments – cash flow hedge</i>				
Interest rate swap contracts	-	3.6	-	3.6
<i>Investments in other entities</i>				
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				
<i>Derivative financial instruments – fair value through profit and loss</i>				
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
<i>Derivative financial instruments – cash flow hedge</i>				
Foreign currency derivatives	-	6.4	-	6.4
Total current financial liabilities	26.6	152.3	92.3	271.2
Non-current liabilities				
<i>Derivative financial instruments – fair value through profit and loss</i>				
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)

30 September 2021	Level 1 \$ M	Level 2 \$ M	Level 3 \$ M	Total \$ M
Current assets				
<i>Derivative financial instruments – fair value through profit and loss</i>				
Commodity futures and options	14.5	8.6	-	23.1
Commodity contracts (forward purchases and sales)	-	-	193.8	193.8
Foreign currency derivatives	-	16.1	-	16.1
<i>Derivative financial instruments – cash flow hedge</i>				
Foreign currency derivatives	-	1.3	-	1.3
Total current derivative financial instrument assets	14.5	26.0	193.8	234.3
Commodity inventory at fair value less costs to sell (note 3.2)	-	-	477.2	477.2
Total current financial assets	14.5	26.0	671.0	711.5
Non-current assets				
<i>Derivative financial instruments – fair value through profit and loss</i>				
Commodity contracts (forward purchases and sales)	-	-	5.3	5.3
Foreign currency derivatives	-	0.1	-	0.1
Crop Production Contract	-	-	0.3	0.3
<i>Investments in other entities</i>				
Investments at fair value	104.2	-	4.3	108.5
Total non-current financial assets	104.2	0.1	9.9	114.2
Current liabilities				
<i>Derivative financial instruments – fair value through profit and loss</i>				
Commodity futures and options	19.8	-	-	19.8
Commodity contracts (forward purchases and sales)	-	-	83.9	83.9
Foreign currency derivatives	-	54.4	-	54.4
<i>Derivative financial instruments – cash flow hedge</i>				
Foreign currency derivatives	-	1.4	-	1.4
Total current financial liabilities	19.8	55.8	83.9	159.5
Non-current liabilities				
<i>Derivative financial instruments – fair value through profit and loss</i>				
Commodity futures and options	3.2	-	-	3.2
Commodity contracts (forward purchases and sales)	-	-	0.7	0.7
Foreign currency derivatives	-	1.0	-	1.0
<i>Derivative financial instruments – cash flow hedge</i>				
Interest rate swap contracts	-	0.2	-	0.2
Total non-current financial liabilities	3.2	1.2	0.7	5.1

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)

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:

	2022			2021		
	Commodity contracts	Commodity inventory at fair value	Crop production contract	Commodity contracts	Commodity inventory at fair value	Crop production contract
	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M
Opening balance as at 1 October	114.5	477.2	0.3	8.8	141.4	(5.0)
Fair value gain / (loss)	134.6	(63.4)	(16.9)	107.1	45.0	5.3
Net acquisitions / (disposals)	(2.4)	170.0	-	(1.4)	290.8	-
Closing balance as at 30 September	246.7	583.8	(16.6)	114.5	477.2	0.3

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.

	2022 \$ M	2021 \$ M
Fair value of derivatives and physical inventory	847.4	596.6
Net effect of a 20% appreciation in price on post-tax profit or loss	2.3	16.8
Net effect of a 20% depreciation in price on post-tax profit or loss	(2.3)	(16.8)

- **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.
 - An annual contract premium is payable to the counterparty.
- 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 2022 ECA winter crop forecast for 2022-23 is 27.0mmt.
- 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.

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 overleaf.

2.6 Financial instruments and risk management (continued)

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 \$127.3 million (2021: \$140.0 million) as disclosed in note 2.5.

	2022	2021
	\$M	\$M
Fair value of crop production contract using unobservable data		
Fair value of crop production derivative recognised in the statement of financial position	56.6	83.9
Deferred difference on initial fair value netted off in the statement of financial position	(73.2)	(83.6)
Net position as presented in the consolidated statement of financial position	(16.6)	0.3

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)

	Exposure at reporting date	Impact on profit / (loss) after tax		Impact on other components of equity	
2022	\$ M	\$ M		\$ 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

	Exposure at reporting date	Impact on profit / (loss) after tax		Impact on other components of equity	
2021	\$ M	\$ M		\$ M	
Movement in exchange rate		10%	-10%	10%	-10%
US Dollar	63.1	4.4	(4.4)	-	-
Canadian Dollar	1.2	-	-	0.1	(0.1)
UK Pound Sterling	2.8	0.1	(0.1)	0.1	(0.1)
Euro	(7.7)	(0.5)	0.5	-	-
New Zealand Dollar	(9.9)	(0.5)	0.5	(0.2)	0.2
Total	49.5	3.5	(3.5)	-	-

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 2022, 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 (2021: 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:

	2022		2021	
	Weighted average interest rate %	Balance \$ M	Weighted average interest rate %	Balance \$ M
Current				
Short-term facilities	2.83%	(86.4)	1.24%	(61.5)
Inventory funding facilities	3.38%	(626.1)	1.04%	(514.3)
Interest rate swaps (notional principal amount)	0.38%	60.0	-	-
Non-current				
Term facilities	3.63%	(150.0)	1.47%	(150.0)
Interest rate swaps (notional principal amount)	-	-	0.38%	60.0
Net exposure to cash flow interest rate risk	3.59%	(802.5)	1.11%	(665.8)

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:

	2022		2021	
	Profit / (loss) \$ M	Increase / (decrease) in equity \$ M	Profit / (loss) \$ M	Increase / (decrease) in equity \$ M
+ 100 basis points	(4.8)	0.6	(5.4)	0.6
– 100 basis points	4.8	(0.6)	5.4	(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 \$739.9 million (2021: \$764.1 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.

	Carrying Value	Total	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
30 September 2022	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M
Non-derivatives:						
Borrowings	(862.5)	(864.9)	(712.7)	-	(152.2)	-
Trade and other 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	-	-

2.6 Financial instruments and risk management (continued)

	Carrying Value	Total	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
30 September 2021	\$ M	\$ M	\$ M	\$ M	\$ M	\$ M
Non-derivatives:						
Borrowings	(725.8)	(728.1)	(575.9)	-	(152.2)	-
Trade and other payables	(182.1)	(182.1)	(182.1)	-	-	-
Other payables	(98.2)	(98.2)	(98.0)	(0.2)	-	-
Derivatives:						
Interest rate swap contracts	(0.2)	(0.2)	-	-	(0.2)	-
Foreign currency derivatives						
(Outflow)	(56.8)	(2,106.1)	(2,084.5)	(21.6)	-	-
Inflow		2,049.3	2,028.7	20.6	-	-
Commodity futures and options:						
(Outflow)	(23.0)	(23.0)	(19.6)	(3.4)	-	-
Inflow		-	-	-	-	-
Commodity contracts (forward purchases and sales):						
(Outflow)	(84.6)	(1,039.3)	(1,028.6)	(10.7)	-	-
Inflow		954.7	944.7	10.0	-	-

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 2022, 99% (2021: 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:

	Gross amounts	Gross amount offset	Net amount in statement of financial position	Amounts that are not offset	Net amount
30 September 2022	\$ M	\$ M	\$ M	\$ M	\$ 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

	Gross amounts	Gross amount offset	Net amount in statement of financial position	Amounts that are not offset	Net amount
30 September 2021	\$ M	\$ M	\$ M	\$ M	\$ M
Financial assets					
Cash and cash equivalents	126.6	-	126.6	-	126.6
Trade and other receivables	510.7	-	510.7	-	510.7
Derivative financial instruments	253.7	(13.7)	240.0	(44.2)	195.8
Total assets	891.0	(13.7)	877.3	(44.2)	833.1
Financial liabilities					
Trade and other payables	280.3	-	280.3	-	280.3
Derivative financial instruments	178.3	(13.7)	164.6	(44.2)	120.4
Total liabilities	458.6	(13.7)	444.9	(44.2)	400.7

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

	2022 \$ M	2021 \$ M
Trade receivables	451.3	369.8
Allowance for impairment	(2.5)	(2.5)
	448.8	367.3
GST receivables	94.4	67.5
Prepayments	13.3	14.1
Margin deposits	47.4	56.4
Other receivables	5.1	5.4
Loans to related parties (note 4.5)	21.2	-
Total current trade and other receivables	630.2	510.7

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 2022 the Group has recognised an **allowance for impairment** for \$2.5 million (2021: \$2.5 million) based on the expected credit loss model. Refer to note 2.6 for details of the Group's credit exposures.

3.2 Inventories

	2022	2021
	\$ M	\$ M
Raw materials	152.0	79.3
Work in progress	14.9	10.4
Finished goods	36.6	21.7
Trading stock	70.2	77.0
Commodity inventory at fair value less cost to sell	583.8	477.2
Total inventories	857.5	665.6

Inventory expense

Write-downs of inventories to net realisable value recognised as an expense during the year ended 30 September 2022 amounted to \$0.3 million (2021: \$0.5 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 2020						
Cost	57.7	289.0	26.6	1,250.8	31.4	1,655.5
Accumulated depreciation and impairment	(1.0)	(194.2)	(19.0)	(763.1)	-	(977.3)
Net book value	56.7	94.8	7.6	487.7	31.4	678.2
Movement						
Transfer to assets held for sale	(1.0)	-	-	-	-	(1.0)
Transfer between asset categories (note 3.4, 3.5)	-	0.9	-	5.2	7.6	13.7
Additions	1.1	18.8	-	17.9	12.1	49.9
Depreciation	-	(16.0)	(0.9)	(54.2)	-	(71.1)
Exchange differences	-	-	-	1.2	-	1.2
Disposals	(0.7)	(0.1)	-	(1.5)	(0.5)	(2.8)
Closing net book value	56.1	98.4	6.7	456.3	50.6	668.1
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 (note 3.4)	-	0.5	-	4.2	(4.7)	-
Additions	0.4	21.1	-	15.7	38.7	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

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 2022 amounts to \$7.3 million (2021: \$7.8 million).

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 2020					
Cost or fair value	133.5	2.2	85.6	16.0	237.3
Accumulated amortisation and impairment	(111.4)	(0.8)	-	-	(112.2)
Net book value	22.1	1.4	85.6	16.0	125.1
Movement					
Transfer between asset categories (note 3.3)	-	-	-	(13.7)	(13.7)
Additions	2.6	-	-	1.7	4.3
Amortisation charge	(8.3)	-	-	-	(8.3)
Exchange differences	-	-	0.6	-	0.6
Disposals	(3.8)	-	-	(1.8)	(5.6)
Closing net book value	12.6	1.4	86.2	2.2	102.4
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

Impairment test for goodwill

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

	2022 \$ M	2021 \$ M
Agribusiness	46.0	47.6
Processing	38.6	38.6
Total goodwill	84.6	86.2

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 2022 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 9.65% to 9.87%. These discount rates reflect 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. Potential long-term financial impacts of climate change are continuing to be assessed, however at this stage we do not consider the potential impacts of climate change to present a material risk of impairment of the carrying value of goodwill.

3.5 Lease assets and liabilities

	Land \$ M	Building & structures \$ M	Rail \$ M	Motor Vehicles \$ M	Total right of use assets \$ M
At 30 September 2021					
Carrying amount	94.1	107.3	16.3	34.1	251.8
Accumulated depreciation	(13.2)	(28.8)	(4.8)	(15.2)	(62.0)
Net book value	80.9	78.5	11.5	18.9	189.8
Movements					
Additions	4.2	16.8	0.3	18.0	39.3
Depreciation	(7.0)	(17.5)	(1.5)	(9.5)	(35.5)
Disposals	-	(3.9)	-	-	(3.9)
Exchange differences	-	0.4	-	-	0.4
Closing net book value	78.1	74.3	10.3	27.4	190.1

	2022 \$ M	2021 \$ M
Lease Liabilities		
At 30 September 2021		
Carrying amount	241.8	231.8
Movements		
Additions	35.6	41.4
Interest expense	7.5	7.5
Payments for interest component of lease liability	(7.5)	(7.5)
Repayment of lease liabilities	(36.6)	(31.0)
Exchange differences	0.5	(0.4)
Closing net book value	241.3	241.8
Current	37.8	31.7
Non-current	203.5	210.1

	2022 \$ M	2021 \$ M
Lease expense recognised in consolidated income statement		
Interest expense on lease liabilities	7.5	7.5
Depreciation of right of use assets	35.5	27.7
Variable lease payments (included in other expenses)	6.9	8.5
Short term and low value lease payments (included in other expenses)	1.7	2.0

	2022 \$ M	2021 \$ M
Total lease commitments		
Not later than one year	44.7	37.3
Later than one year but not later than five years	123.0	117.1
Later than five years	150.0	169.9
Minimum lease payments	317.7	324.3
Future finance charges	(76.4)	(82.5)
Total lease liabilities	241.3	241.8

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.

Right of use assets:

Right of use assets are recognised at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right of use assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use 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. Right of use assets are depreciated on a straight-line basis over the lease term. Right of use 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 2022 the Group's weighted average incremental borrowing rate was 3.1% per annum (2021 : 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

	2022	2021
Current	\$ M	\$ M
Trade payables	176.2	182.1
Accrued expenditure	33.8	35.3
Other payables	68.4	62.7
Total current trade and other payables	278.4	280.1
Non-current	2022	2021
	\$ M	\$ M
Income received in advance	9.9	10.9
Other payables	0.2	0.2
Total non-current trade and other payables	10.1	11.1

3.7 Provisions

	Customer claims \$ M	Onerous contracts \$ M	Employee benefits \$ M	Other \$ M	Total provisions \$ M
At 1 October 2021	5.0	0.2	39.7	9.4	54.3
Additional provisions	0.2	-	17.9	13.2	31.3
Amounts utilised	-	(0.2)	(15.4)	(3.4)	(19.0)
At 30 September 2022	5.2	-	42.2	19.2	66.6
Current	5.2	-	39.0	13.1	57.3
Non-current	-	-	3.2	6.1	9.3

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 2022.

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 \$39.0 million (2021: \$36.5 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 \$1.8 million (2021: \$1.6 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	
		2022	2021
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	
		2022	2021
ABN 36 073 105 656 Pty Ltd ⁶	Australia	-	100%
CarbonConnect Pty Ltd ⁷	Australia	100%	-
GrainCorp Ventures Pty Ltd ⁸	Australia	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 ⁹	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%

⁶ De-registered on 13th October 2021.

⁷ Registered on 1st March 2022.

⁸ Registered on 1st March 2022.

⁹ 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 2022.

	2022	2021
	\$ M	\$ M
Consolidated income statement		
Revenue	7,822.7	5,345.7
Other income	(393.3)	(27.0)
Goods purchased for resale	(5,324.9)	(3,973.6)
Raw materials and consumables used	(855.9)	(576.3)
Employee benefits expense	(360.3)	(297.2)
Depreciation and amortisation	(108.7)	(99.5)
Finance costs	(37.0)	(25.7)
Repairs and maintenance	(58.1)	(44.6)
Other expenses	(123.7)	(93.5)
Share of results from investments accounted for using the equity method	(1.5)	(0.1)
Profit for the year	559.3	208.2
Income tax expense	(174.2)	(71.7)
Profit for the year	385.1	136.5
Total comprehensive profit for the year	385.1	136.5
Summary of movements in consolidated retained earnings		
Retained earnings at the beginning of the financial year	522.6	420.3
Profit for the year	385.1	136.5
Dividends paid	(76.5)	(34.2)
Retained earnings at the end of the financial year	831.2	522.6

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 2022.

	2022	2021
	\$ M	\$ M
Consolidated statement of financial position		
Current assets		
Cash and cash equivalents	296.9	106.8
Trade and other receivables	518.9	372.1
Inventories	759.5	607.3
Derivative financial instruments	423.1	232.2
Assets classified as held for sale	0.1	2.0
Total current assets	1,998.5	1,320.4
Non-current assets		
Investment in subsidiaries	195.3	197.0
Investments accounted for using the equity method	6.2	1.0
Investments in other entities	109.8	135.9
Property, plant and equipment	637.1	691.8
Right of use assets	180.5	123.4
Deferred tax assets	12.7	26.3
Intangible assets	32.1	33.9
Derivative financial instruments	5.6	5.7
Total non-current assets	1,179.3	1,215.0
Total assets	3,177.8	2,535.4
Current liabilities		
Trade and other payables	239.6	248.1
Deferred revenue	29.8	14.4
Lease liabilities	19.5	19.2
Borrowings	712.5	579.0
Derivative financial instruments	265.4	157.9
Current tax liabilities	112.0	-
Provisions	56.9	42.7
Total current liabilities	1,435.7	1,061.3
Non-current liabilities		
Trade and other payables	10.1	11.1
Borrowings	150.0	150.0
Lease liabilities	198.0	206.8
Derivative financial instruments	19.5	5.1
Provisions	3.2	2.6
Total non-current liabilities	380.8	375.6
Total liabilities	1,816.5	1,436.9
Net assets	1,361.3	1,098.5
Equity		
Contributed equity	516.6	570.6
Reserves	13.5	5.3
Retained earnings	831.2	522.6
Total equity	1,361.3	1,098.5

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.

	2022	2021
	\$ M	\$ M
Statement of financial position		
Current assets	1.4	0.6
Total assets	660.7	738.9
Current liabilities	0.3	3.9
Total liabilities	3.8	3.9
Shareholders' equity		
Contributed equity	516.6	570.6
Share option reserve	8.2	5.0
Capital reserve	8.3	8.3
Retained earnings	123.8	151.1
Total shareholders' equity	656.9	735.0
Profit for the year	49.2	31.5
Total comprehensive profit	49.2	31.5

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 2022, the parent entity did not provide any other guarantees (2021: \$nil), contingent liabilities (2021: \$nil) or capital commitments (2021: \$nil).

4.4 Investments accounted for using the equity method

a) Carrying amounts

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

Entity	Principal activity	Ownership interest		Carrying amount	
		2022	2021	2022 \$ M	2021 \$ M
GrainsConnect Canada Operations Inc	Grain elevation and storage	50%	50%	42.9	52.5
National Grower Register Pty Ltd	Register management	50%	50%	1.3	1.1
Hone Corporation Pty Ltd	Chemical testing and analysis	15%	-	4.8	-
FutureFeed Pty Ltd	Alternative animal feeds	20%	20%	0.7	1.5
GRO Agriculture Pty Ltd	Seed variety technology	50%	50%	-	-
				49.7	55.1

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.

GrainsConnect Canada Operations Inc ¹⁰		
Summarised statement of financial position	2022 \$ M	2021 \$ M
Current assets	177.1	176.6
Non-current assets	229.6	234.2
Total assets	406.7	410.8
Current liabilities	209.8	197.8
Non-current liabilities	111.1	108.0
Total liabilities	320.9	305.8
Net assets	85.8	105.0
Reconciliation of carrying amounts:		
Balance at beginning of year	105.0	71.9
(Loss) for the year	(22.2)	(18.0)
Capital contributions	-	48.6
Exchange differences in translation of opening balances	3.0	2.5
Closing net assets	85.8	105.0
Group's share of net assets	42.9	52.5

GrainsConnect Canada Operations Inc		
Summarised statement of comprehensive income	2022 \$ M	2021 \$ M
Revenue	683.0	613.6
Operating (loss) after tax	(22.2)	(18.0)
Other comprehensive (loss)	-	-
Total comprehensive (loss)	(22.2)	(18.0)
Group's share of comprehensive (loss)	(11.1)	(9.0)

¹⁰ GrainsConnect Canada's current assets includes \$40.8m cash and cash equivalents (2021: \$28.9m).

GrainsConnect Canada's liabilities includes \$93.8m current borrowings (2021: \$57.0m) and \$99.3m non-current borrowings (2021: \$112.0m).

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.

	2022 \$ M	2021 \$ M
<i>Reconciliation of carrying amounts:</i>		
Balance at beginning of year	2.6	2.4
Additions for the year	5.8	0.7
Share of (loss) after income tax	(1.6)	(0.5)
Aggregated carrying amount of individually immaterial equity accounted investments	6.8	2.6

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 (2021: \$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	
	2022	2021
	\$'000	\$'000
Purchases from GrainsConnect Canada	48,160.7	142,103.0

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	
	2022	2021
	\$'000	\$'000
Current receivable from GrainsConnect Canada	21,207.8	-

c) KMP compensation

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

	2022	2021
	\$'000	\$'000
Short-term employee benefits	5,525.0	5,151.2
Post-employment benefits	178.0	159.7
Long-term benefits	61.0	51.0
Share-based payments	3,539.0	1,834.6
Total KMP compensation	9,303.0	7,196.5

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 balance date. These balances are the result of transactions conducted under normal trading terms and conditions.

Directors and other KMP who transacted business with the Group were K Pamminger, D Mangelsdorf and N Anderson. (2021: K Pamminger. D Mangelsdorf).

	2022	2021
	\$'000	\$'000
Current receivables	1,314.8	710.3

Queensland Commodity Exports Pty Ltd an entity related to K Pamminger with current receivables of \$318,591 (2021: \$297,302), revenue of \$2,003,913 (2021: \$2,026,265) and purchases of \$17,254 (2021: \$nil).

The Trustee for K Pamminger an entity related to K Pamminger with current receivables of \$nil (2021: \$nil), revenue of \$nil (2021: \$nil) and purchases of \$443,310 (2021: \$19,851).

Daybreak Cropping Pty Ltd an entity related to D Mangelsdorf with current receivables of \$71,606 (2021: \$nil), revenue of \$71,606 (2021: \$311,226) and purchases of \$11,515,171 (2021: \$7,401,179).

Warakirri 2 Pty Ltd an entity related to D Mangelsdorf with current receivables of \$167,250 (2021: \$2,897), revenue of \$166,115 (2021: \$167,765) and purchases of \$15,278,795 (2021: \$18,623,251).

The Trustee for D Mangelsdorf an entity related to D Mangelsdorf with current receivables of \$nil (2021: \$nil), revenue of \$30,911 (2021: \$53,389) and purchases of \$2,989,053 (2021: \$2,482,429).

Mrs Mac's Pty Ltd an entity related to N Anderson with current receivables of \$757,375 (2021: \$nil), revenue of \$3,497,845 (2021: \$nil) and purchases of \$nil (2021: \$nil).

5 Additional Notes

5.1 Remuneration of auditor

	2022	2021
	\$'000	\$'000
<i>PwC Australia</i>		
Audit and review of financial reports and other work under the <i>Corporations Act 2001</i>	1,058.8	1,012.8
Other assurance services	25.1	18.0
Total remuneration of PwC Australia	1,083.9	1,030.8
<i>Overseas practices of PwC Australia</i>		
Audit and review of financial reports	180.8	162.2
Other services	3.1	-
Total remuneration of related practices of PwC Australia	183.9	162.2
Total auditors' remuneration	1,267.8	1,193.0

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 Capital Employed (ROCE) or 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	29 May 2020	5 March 2021	5 March 2021	25 February 2022
Fair value at grant date (TSR)	\$2.42	\$2.40	\$2.11	\$6.16
Fair value at grant date (ROCE)	\$4.15	\$4.05	-	-
Fair value at grant date (ROIC)	-	-	\$3.96	\$7.44
Estimated vesting date	30 September 2022	30 September 2022	30 September 2023	30 September 2024
Share price at grant date	\$4.42	\$4.25	\$4.25	\$8.00
Volatility	30.0%	39.0%	32.0%	33.0%
Risk free interest rate	0.3%	0.1%	0.1%	1.5%
Dividend yield	2.5%	2.9%	2.6%	2.7%

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-21	200,002	-	(200,002)	-	-	-	-
29-May-20	30-Sep-22	199,762	-	-	-	-	199,762	199,762
05-Mar-21	30-Sep-22	282,738	-	-	-	-	282,738	282,738
05-Mar-21	30-Sep-23	510,712	-	-	-	-	510,712	-
25-Feb-22	30-Sep-24	-	347,269	-	-	-	347,269	-
		1,193,214	347,269	(200,002)	-	-	1,340,481	482,500

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	17-Dec-20	25-Feb-22	25-Feb-22
Fair value at grant date	\$4.21	\$7.85	\$7.64
Estimated vesting date	30-Sep-22	30-Sep-22	30-Sep-23
Share price at grant date	\$4.33	\$7.97	\$7.97
Dividend yield	2.50%	2.69%	2.69%

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	64,898	-	(32,449)	-	-	32,449	32,449
25-Feb-22	30 Sep 2022 & 30 Sep 2023	-	297,748	-	-	-	297,748	148,874
		64,898	297,748	(32,449)	-	-	330,197	181,323

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:

	2022 \$ '000	2021 \$ '000
Share-based payments expense	4,300.0	2,300.0

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. ROCE, 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

No significant events subsequent to the balance date have occurred.

Directors' Declaration

In the Directors' opinion:

- a) The financial statements and notes set out on pages 53 to 101 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 2022 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 59 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 2022



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:

1. giving a true and fair view of the Group's financial position as at 30 September 2022 and of its financial performance for the year then ended
2. 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 2022
- the consolidated income statement for the year then ended
- 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 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.

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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 \$16.8 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 selected 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 assessment 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 Board Audit and Risk Committee.

Key audit matter	How our audit addressed the key audit matter
Goodwill impairment assessment Refer to Note 3.4 \$84.6m 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 2023 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.



Key audit matter	How our audit addressed the key audit matter
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 instrument assets: \$339.6 million Level 3 derivative financial instrument liabilities: \$109.5 million Commodity inventory at fair value less costs to sell: \$583.8 million At 30 September 2022 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. 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	- 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. 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. - 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.



Key audit matter

How our audit addressed the key audit matter

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.

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 2022, 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.

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 38 to 51 of the directors' report for the year ended 30 September 2022.

In our opinion, the remuneration report of GrainCorp Limited for the year ended 30 September 2022 complies with section 300A of the *Corporations Act 2001*.



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.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink that appears to be 'EPenny'.

Eliza Penny
Partner

Sydney
16 November 2022

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Shareholder Information

Holdings distribution as at 31 October 2022

Range	Securities	%	No. Of Holders	%
100,001 and Over	181,784,795	81.28	43	0.22
50,001 to 100,000	2,235,631	1.00	32	0.17
10,001 to 50,000	12,509,951	5.59	671	3.47
5,001 to 10,000	8,669,580	3.88	1,215	6.29
1,001 to 5,000	14,093,267	6.30	5,972	30.91
1 to 1,000	4,357,426	1.95	11,388	58.94
Total	223,650,650	100.00	19,321	100.00
Unmarketable Parcels	20,189	0.01	1,018	5.27

Twenty largest shareholders as at 31 October 2022

Rank	Name	Shares held	Issued Capital %
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	86,730,113	38.78
2	CITICORP NOMINEES PTY LIMITED	32,438,676	14.50
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	29,031,137	12.98
4	NATIONAL NOMINEES LIMITED	12,860,272	5.75
5	BNP PARIBAS NOMS PTY LTD	7,044,733	3.15
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	2,125,258	0.95
7	JARJUMS HOLDINGS PTY LIMITED	1,500,000	0.67
8	BNP PARIBAS NOMINEES PTY LTD	1,205,361	0.54
9	MRS INGRID KAISER	1,133,976	0.51
10	PACIFIC CUSTODIANS PTY LIMITED	767,548	0.34
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	628,842	0.28
12	CITICORP NOMINEES PTY LIMITED	548,318	0.25
13	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	383,133	0.17
14	PACIFIC CUSTODIANS PTY LIMITED	381,459	0.17
15	NETWEALTH INVESTMENTS LIMITED	373,874	0.17
16	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	313,114	0.14
17	GREG DURKIN SUPER FUND PTY LTD	306,255	0.14
18	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	275,734	0.12
19	MR JAMES GARDINER	250,000	0.11
20	MENEGAZZO ENTERPRISES PTY LTD	241,783	0.11
Total		178,539,586	79.83
Balance of register		45,111,064	20.17
Grand total		223,650,650	100.00

Substantial shareholders

The following organisations disclosed a substantial shareholding notice in GrainCorp Limited by 31 October 2022:

Name	Notice Date	Shares held	Issued Capital
State Street Corporation	1 August 2022	14,731,569	6.59%
Dimensional Entities	21 August 2017	13,742,579	6.00%
Norges Bank	6 April 2022	11,517,084	5.03%
Vanguard Group	12 July 2022	11,466,673	5.01%

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.

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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 2022
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

Term Definition

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
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 2022
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

Corporate Directory

Board of Directors

Peter Richards
(Chairman)

Robert Spurway
(Managing Director & CEO)

Nicki Anderson
(Non-executive Director)

Kathy Grigg
(Non-executive Director)

Daniel Mangelsdorf
(Non-executive Director)

Clive Stiff
(Non-executive Director)

Company Secretary

Stephanie Belton
Annerly Squires

Registered Office

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AUSTRALIA

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Share Registry

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