ANNUAL REPORT 2023

Growing Adapting Thriving

About this Report

The SunRice Group seeks to continuously improve the way we communicate long-term value to A and B Class shareholders and other important stakeholders. Our financial and non-financial reporting is combined to provide information on all aspects of our performance in one report, the Annual Report, supported where required by supplementary information (see 2023 Reports Portfolio).

Reporting boundary and period

SunRice's Annual Report covers Ricegrowers Limited ABN 55 007 481 156 and its controlled entities. Unless otherwise stated, all disclosures in the Annual Report relate to the Financial Year ended 30 April 2023 (FY2023). In this report, 'the year', 'this year', 'crop year 2022' and 'CY22' all refer to FY2023. The '2023 harvest', 'crop year 2023' and 'CY23' all refer to the rice crop harvested in 2023, which will be processed and marketed in the Financial Year ending 30 April 2024 (FY2024). 'SunRice', 'SunRice Group', 'Group', 'we' and 'our' refer to Ricegrowers Limited ABN 55 007 481 156 and its controlled entities, as defined in this report.

Reporting frameworks

The FY2023 Financial Report on pages 76–131 and Directors' Report on pages 54–74 have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. The Operating and Financial Review, which is a required element of the Directors' Report, can be found on pages 14–51 and includes Our Strategy, Our Financial Performance and Position, Our Outlook, Our Approach to Sustainability, Our Approach to Risk and Corporate Governance sections. The content of Our Approach to Sustainability section of this report and supporting sustainability information have been prepared with due consideration for the United Nationals (UN) Global Compact's Ten Principles and the new GRI Standards. The GRI Index (see 2023 Reports Portfolio) lists where the applicable FY2023 disclosures can be found. As of 1 January 2023, the UN Global Compact introduced new standardised online Communication on Progress (CoP). The Group's CoP will be publicly available on the UN Global Compact's website.[1]

Report assurance

The Remuneration Report on pages 56–73 and the Financial Report on pages 76–131 have been audited. All disclosures in the Annual Report have been subject to SunRice's internal review and approval processes by management, the executive and the Board, as appropriate.

Stakeholder engagement and materiality

SunRice undertakes both a formal materiality process to identify the issues that are significant to the business and to key stakeholders, as well as informal engagement throughout the year, through a variety of channels in order to respond to our stakeholders' insights. In FY2024, the SunRice Group will refresh its stakeholder engagement framework. SunRice's material topics are discussed in the SunRice Stakeholder Engagement Statement at sunrice.com.au/sustainability-reports and the six sustainability priorities that address these material topics and provide a framework for the Group's response, are described in Our Approach to Sustainability on pages 28–37.

1. SunRice (listed as RiceGrowers Limited) | UN Global Compact sunrice.com.au/AR23/sunrice-un-global-compact (unglobalcompact.org)
2. sunrice.com.au/AR23/introduction-to-the-gri-standards (globalreporting.org)

2023 Reports Portfolio

- **Annual Report** – provides information on SunRice, including governance, strategy, key risks, financial and non-financial performance and outlook, and includes the Annual Directors' Report and Annual Financial Report. sunrice.com.au/annual-reports
- **Interim (Half Yearly) Financial Report** – provides information on SunRice's half-yearly financial and non-financial performance and outlook. sunrice.com.au/financial-reports
- **Corporate Governance Statement** – provides an overview of our policies, procedures and practices to ensure application of the ASX Corporate Governance Principles and Recommendations (4th Edition). sunrice.com.au/corporate-governance
- **Sustainability Reporting** - provides further information on SunRice's sustainability strategy, initiatives undertaken during FY2023 and future commitments, including our commitment to the Science Based Targets initiative. sunrice.com.au/sustainability-reports
- **Sustainability Performance Data** – provides information on SunRice's annual sustainability performance across our commitments to environment, communities, our people and nourishing products on pages 142–151.

Other reports and information

- **GRI Index** – is a summary of how the Group has addressed, or is addressing, the GRI Standards, and includes references to where the detailed information can be located. On 1 January 2023, the new GRI standards came into effect requiring the Group to report on universal, sector and topic standards.[2] We will continue to improve our reporting against the updated standards and the applicable sector standards in FY2024.
- **Tax Transparency Disclosures** – SunRice is a signatory to the Board of Taxation's Tax Transparency Code. This report (issued annually) complements the Group's tax disclosures and enhances our stakeholders' understanding of the Group's compliance with Australian tax laws. sunrice.com.au/financial-reports
- **Other information** – presentations and announcements made to stakeholders during the year. See the Results and Reports section of the SunRice investor website. investors.sunrice.com.au

About SunRice's structure

The structure of Ricegrowers Limited (SunRice) contains non-standard elements, including its dual class share structure comprising A Class Shares and B Class Shares.

A Class Shares confer on their holders the right to vote at general meetings but no right to dividends. A Class Shares are not quoted on the ASX and may only be held by rice growers who meet the production quotas prescribed by the SunRice Constitution. No person may hold more than five A Class Shares. In practical terms the voting rights held by A Class shareholders give those shareholders the right to control the election of directors and any changes to SunRice's Constitution.

B Class Shares are quoted on the ASX and confer on their holders the right to receive dividends, as determined by the directors from time to time. Holders of B Class Shares do not generally have the right to vote at general meetings of SunRice. This means that B Class shareholders have no right to vote on the election of directors of SunRice. No person may hold more than 10% of the total number of B Class Shares on issue.

For more details of the non-standard elements of SunRice's structure see investors.sunrice.com.au.

SunRice Group Product Development Manager ***Alessandra Macri*** *and Insights Analyst* ***Andressa Oliveira***

Growing Adapting Thriving

"Despite the inflationary environment, the SunRice Group successfully adapted its approach to limit cost pressures and increase revenue and profitability. The inherent resilience of the SunRice business is based on our people and partners; some of the world's most skilled rice growers, our dedicated and innovative employees, and our business partners, locally and around the world."

Laurie Arthur
SunRice Chairman

CONTENTS

FY2023 Highlights

Record Group Revenue
$1.64b ↑ 23%[3]

Record naturally determined paddy price for medium grain Reiziq
$461 per tonne ↑ 8%[3]

Net Profit After Tax
$54.8m ↑ 12%[3]

Group Total Recordable Injury Frequency Rate
6.93 ↓ 35.4%[3]

EBITDA[4]
$117.0m ↑ 28%[3]

Senior Management[6] roles held by women
45%

Basic Earnings per B Class Share
83.8cents ↑ 9%[3]

Record employee engagement score
77%

Record fully franked dividend per B Class Share[5]
50 cents ↑ 25%[3]

Payout ratio
60%

Dividend yield
8.1%

Water
1.06 t/ML
average irrigated water use efficiently achieved across the CY22 Riverina rice crop.

Community
$1.1m donated to community organisations across the Group.[8]

Climate
1MW solar photovoltaic installation commenced at Woodlands Mill (California, USA).

Human Rights
Third-party SEDEX Members Ethical Trade Audits (SMETA)
completed for our CopRice pet food manufacturing facility in Wangaratta, Victoria and at five Australian Grain Storage (AGS) sites in the Riverina.

Waste
Foundation Supporter of the National Plastics Recycling Scheme (NPRS)[7]
A project developed by the Australian Food and Grocery Council (AFGC) with support from the Federal Government, to design Australia's largest industry-led plastics recycling scheme.

Food Security & Quality
SunRice entered a public-private partnership
with the Australian Centre for International Agricultural Research (ACIAR), The University of Queensland, An Giang University, Cuu Long Rice Research Institute, Can Tho University and Vietnamese provincial government agencies. The project aims to encourage the adoption of sustainable practices with indicators measured within the Sustainable Rice Platform framework.

Australasian Reporting Awards

The SunRice Group received a Silver General Award and Bronze Sustainability Reporting Award in the Australasian Reporting Awards for our 2022 Annual Report.

3. Year-on-year.
4. Earnings Before Interest, Tax, Depreciation, Amortisation and Impairment.
5. Comprising an interim dividend of 10 cents per B Class Share declared on 15 December 2022 and a final dividend of 40 cents per B Class Share declared on 22 June 2023.
6. Senior Management includes Senior Executives and their direct and indirect reports, who have responsibility for creation and implementation of long term strategy, autonomy to operate and/or leadership responsibilities.
7. sunrice.com.au/AR23/national-plastics-recycling-scheme (afgc.org.au) and sunrice.com.au/AR23/closing-the-loop-on-soft-plastic-packaging (afgc.org.au)
8. Total monetary value of cash and in-kind/product donations during FY2023.

Chairman's Report

I am pleased to report that the SunRice Group has posted record financial metrics this year.

In FY2023 the company achieved the highest naturally determined paddy price for our A Class shareholders and Riverina rice growers, record dividends[9] to our B Class shareholders and an overall group revenue of $1.64 billion, which is the highest recorded revenue in the SunRice Group's 70+ year history.

The Australian Rice Pool Business had an exceptional year, generating revenue of $335.3m which is a 36% increase on FY2022. A strong CY22 crop of 688,000 paddy tonnes, our largest crop in five years and 65% larger than the CY21 crop of 417,000 paddy tonnes, allowed the business to achieve higher sales volumes of Australian rice in premium markets both domestically and internationally. This also positioned the company to realise new opportunities in global government tenders and supply Australian rice into drought affected markets such as the U.S. and Europe.

The strong performance of the Rice Pool Business resulted in another record naturally determined paddy price in CY22 of $461 per tonne for medium grain Reiziq (exceeding the previous record of $428 per tonne in CY21). I believe this performance firmly validates our rice pool model which, although subject to commodity price fluctuations, can adapt to market conditions to maximise returns for both classes of shareholders.

Widespread inflationary pressures continued to impact the Group across its operations for most of FY2023, including raw materials, labour and financing costs. For example, the Rice Pool Business experienced a $44 million (102%) increase in freight costs compared to FY2022. Yet despite this inflationary environment, the company still achieved a record naturally determined paddy price. The Board would like to acknowledge our people for their skill and effort in successfully navigating these challenging economic conditions.

The inherent resilience of the SunRice business is based on our people and partners; some of the world's most skilled rice growers, our dedicated and innovative employees, and our business partners, locally and around the world. We continued to strengthen our global supply chain and our multi-origin, multi-market sourcing strategy, evolving our product range to match global consumer preferences and reducing earnings volatility. The SunRice management team, ably led by Group CEO Rob Gordon, has continued to further diversify our source markets to act as a hedge against climate and market variability and building new global destination markets.

On behalf of the Board, I would like to thank Rob and recognise his achievements ahead of his retirement from the date of our 2023 Annual General Meeting. Particularly, Rob was instrumental in listing the company on the Australian Securities Exchange in 2019 and continued the expansion of our Global Rice Business. He successfully guided the business through drought, floods, record low crops, and multiple rice vesting reviews, to leave the SunRice Group in a stronger position.

At the conclusion of our Annual General Meeting on 23 August 2023, Paul Serra will commence as our new Group CEO and Managing Director. Paul brings a wealth of experience from previous global food manufacturing businesses, and we look forward to having someone of Paul's capability and expertise join the SunRice Group at this exciting time.

As a Board and as representatives of a community of rice growers, in FY2023 we continued our focus on embedding sustainability into our business across our six priority areas. During the year, the Board supported the business in its commitment to set a Science Based Target (SBT) through the Science Based Target initiative. This will lead to the development of a roadmap in FY2024 outlining how the company will meet its medium and long-term emission reductions targets. Many rice growers have moved to drill sowing with delayed permanent water, continuing to reduce our carbon footprint and enhancing our international reputation for rice growing water efficiency.

We have just concluded harvesting the CY23 crop of approximately 500,000 paddy tonnes which should continue to underpin supply into key premium domestic and international markets in the coming year. The outlook for the CY24 crop plantings, which will be processed and marketed in FY2025, also remains positive with Southern NSW water storages currently over 90% full. This is expected to result in a fourth consecutive year of abundant Australian rice production in FY2025, with the Riverina storage and milling asset footprint expected to fully recover its operating costs.

While many of our growers were affected by flooding and wet conditions in FY2023, the relentless march of inequitable water reform remains front of mind for the Board. Riverina annual irrigators are the most impacted water users in the Murray Darling Basin and yet the Federal Government is buying back another 10 gigalitres from the NSW Murray Valley.

This is the first Murray Darling Basin buyback program in over a decade and may push temporary water market prices in the Southern Basin above $1,000 per megalitre, making annual cropping unviable in dryer years. With prices fluctuating from $2 per megalitre to greater than $800 per megalitre across seasons, this undoubtedly makes the Southern Connected water market one of the most volatile globally. As a former National Water Commissioner, I can assure you that this was not anticipated and should be addressed by policy makers. Managing these fluctuations in water market prices is one of the largest long term risks to Growers and our business, as we have seen in drought. The SunRice Group, working with the Ricegrowers' Association of Australia (RGA), has put solutions in front of the State and Federal Government and will continue to seek outcomes that will benefit the Australian economy, regional communities and the environment. These outcomes are not mutually exclusive.

Last year, the former NSW Government announced its decision to continue the structured marketing arrangements – known as rice vesting – for another five-year term to 30 June 2027. However, in making this decision, the former NSW Government called for another independent review to consider some of the issues identified in its 2021 rice vesting review. The Australian Bureau of Agriculture and Resource Economics and Sciences (ABARES) was commissioned to prepare this independent report (ABARES Report) which was delivered to the NSW Agriculture Minister in late May 2023.

Put simply, these structured marketing arrangements have for a number of years underpinned the prosperity of the Riverina rice industry and are crucial to its future longevity. International rice markets are highly complex and have significant trade restrictions which means rice is not freely traded. This is why our Riverina rice industry has had a coordinated approach to market access in the form of vesting or single desk arrangements for many years. Importantly, these arrangements enable Australian rice farmers to compete globally by collectively marketing under a premium brand, returning export price premiums directly to our growers.

Finally, I want to acknowledge Leigh Vial, who has decided not to seek re-election to the SunRice Board and will step down as a Grower Director in August 2023. Leigh had served as a Grower Director on the Board since 2015, and made a strong contribution not only to SunRice, but the broader Australian rice industry.

I extend my sincere thanks to my fellow Directors, our growers, the Chair of the Rice Marketing Board of NSW (RMB) Victoria Taylor, the other RMB Directors, the President of the RGA, Peter Herrmann, and the RGA more broadly. I also thank SunRice's strong Management team and look forward to working closely with our incoming Group CEO Paul Serra as the Group looks to continue this year's impressive performance.

Laurie Arthur
SunRice Chairman

9. The Group's total fully franked dividend of 50 cents per B Class Share includes an interim dividend of 10 cents per B Class Share declared on 15 December 2022 and a final dividend of 40 cents per B Class Share declared on 22 June 2023.

Group CEO's Report

Financial Year 2023 (FY2023) was an outstanding year for the SunRice Group. I am proud to report that we have delivered the highest Group revenue, naturally determined paddy price and total fully franked dividend in the company's history.

This financial performance was underpinned by the strength of our business model, the realisation of a number of our Growth Strategy initiatives and the efforts of our employees across the organisation to deliver value for both classes of shareholders.

Our record Group revenue was $1.64 billion for FY2023, up 23% on the prior year. Earnings Before Interest, Tax, Depreciation and Amoritisation (EBITDA) was $117.0 million, up 28% from FY2022, and Net Profit After Tax was $54.8 million, up 12%. The Group achieved a naturally determined pool paddy price of $461 per tonne for medium grain Reiziq.

This strong financial performance and uplift in profitability in FY2023 was driven by a range of factors including:

- The abundance of Australian rice, with the CY22 Riverina rice crop 65% larger than CY21, supporting strong sales volumes in key premium markets and expansion in new and existing territories impacted by drought. It also improved the profitability of the Group's segments that rely on inputs from the Australian Rice Pool Business;
- Sales price increases across most of the Group's segments and product categories, which helped to offset inflationary pressures. Revenue growth was also supported by favourable changes in product mix in some markets;
- The continued recovery of the CopRice segment which returned to profitability in FY2023, driven by the positive impact of turnaround actions implemented, notably in the Australian ruminant business and companion animal portfolio; and
- The first full year contribution of Pryde's EasiFeed, which was acquired in January 2022, further supporting the uplift in the CopRice segment's revenue and profitability.

FY2023 was not without its challenges, with the ongoing disruption to domestic and international supply chains resulting in a $79.0 million increase in freight and distribution costs compared to the previous year. The Group's operations were also impacted by widespread inflationary pressures which drove a material increase in key input costs including raw materials, labour and financing. However, the strength of the Group's brands and market positioning, coupled with the various organic and strategic growth initiatives delivered in recent years, enabled us to withstand these headwinds throughout the year.

Continuing to embed sustainability across the business remained an important focus for the Group in FY2023. We made progress against our Sustainability Strategy and our six focus areas, including becoming a founding member of the National Plastics Recycling Scheme in Australia and the launch of the Australia Vietnam Mekong Delta Sustainable Rice Value Chain Project, a novel public-private partnership that connects smallholder rice-growing communities in the Mekong Delta to high-value international markets, giving farmers economic incentives to grow higher-value rice sustainably.

The Group maintained a strong balance sheet and selectively pursued strategic growth opportunities in FY2023, with the acquisition of the Australian Waffle Company by Riviana Foods in August 2022. The acquisition complements Riviana's portfolio and provides some onshoring manufacturing capability in the baked goods category, which may help to mitigate the impact of increased costs associated with imported products.

The quality of the SunRice Group's results over the years and most recently our FY2023 Full Year Results reflects the efforts and capabilities of our people across the business. We have built a talented workforce who are aligned behind our Growth Strategy, our values and our purpose: ***To make a difference to places and lives everywhere through nourishing and delicious products.***

After navigating drought and the disruption of COVID-19 in recent years, with our highly capable management team, I believe now is the right time for me to retire as Managing Director and Group CEO, with the business in a strong position, following an impressive financial performance in FY2023 and continuing momentum into FY2024 given the positive outlook.

It has been a privilege to lead the SunRice Group over the past 11 years. I am proud that during my tenure, the team at the SunRice Group has built a resilient business model, moving from largely selling an Australian rice crop to a truly global, multi-origin, multi-market food business which sources from 12 different countries. The Group has evolved and grown significantly over the past decade, acquiring our Lap Vo mill in Vietnam, listing on the Australian Securities Exchange, establishing a substantial global trading hub in Singapore, diversifying our earnings through the acquisition of several businesses, new market expansion including under the Australia-United Kingdom Free Trade Agreement, and establishing our Global Rice business. I am proud of everything our team has accomplished for our shareholders, growers, people, customers and the rice industry.

I am pleased to welcome the new Group CEO, Paul Serra, into the business in July to commence a substantial handover period. Over the next two months, we will work closely together to ensure a smooth transition of leadership ahead of the Annual General Meeting on 23 August 2023, where I will step down as Group CEO and Managing Director at the conclusion of the meeting.

Finally, I want to sincerely thank the Board, the Management team, our employees, growers and investors for your support during my tenure as Group CEO. In particular, I want to acknowledge our Chairman and the Board for their assistance and guidance over the years, and I look forward to seeing the SunRice Group seek to continue its momentum and capitalise on its Growth Strategy investments in the coming years.

Rob Gordon

Rob Gordon
SunRice Group CEO

About the SunRice Group

The SunRice Group is a global food company, with its parent company Ricegrowers Limited (SunRice) listed on the ASX. It began with the pooling of resources of a small group of rice growers in the Riverina region of New South Wales in the 1950s.

As one of Australia's leading branded food exporters, the SunRice Group has significant markets in the United States (U.S.), the Pacific and the Middle East, and expanding markets across Europe and Asia.

The Group has offices and operations globally, including in Australia, U.S., Singapore, United Arab Emirates (UAE), New Zealand, Solomon Islands, Jordan, Vietnam and Papua New Guinea (PNG).

Our unique global presence and multi-origin strategy allows us to source close to 1.5 million paddy tonnes of rice annually from 12 countries including Australia to meet global demand.

What drives us

A purpose-driven global workforce of 2,000+ employees spread across 10 countries.

SunRice Group Office Manager **Roslindah Mohamed**, Administration Assistant **Nur Hazwani Johar**, Procurement Category Manager, Packaging, **Bralee Taeng-On** and Legal Counsel **Phuong Tran**

Our purpose

To make a difference to places and lives everywhere through nourishing and delicious products.

Our vision

With roots in Australia's food bowl, we transform nature's goodness into healthy, enjoyable and nutritious foods that meet the needs of discerning consumers around the world.

Our values

- **Integrity**
- **Dynamic**
- **Collaborative**
- **Innovative**
- **Community**

Our behaviours

Customer focused

Intellectually curious

Decisive

Good communicators

SunRice Group Electrician **Paul Waterhouse** and Apprentice Electrician **Sunilkumar Prajapati**

Rice growers **Doug Fasham**, **Emily Fasham** and **Steve Fasham**

We pursue value creation for

Our shareholders

SunRice's structure supports the interests of both A and B Class Shareholders.

Our A Class Shareholders, who must be growers and meet the production criteria in the Constitution, are paid for their paddy through the **Rice Pool Business**, and have control of the company. Our B Class Shareholders or investors have the right to receive any dividends generated by our **Profit Businesses** and other distributions made by the Company from time to time.

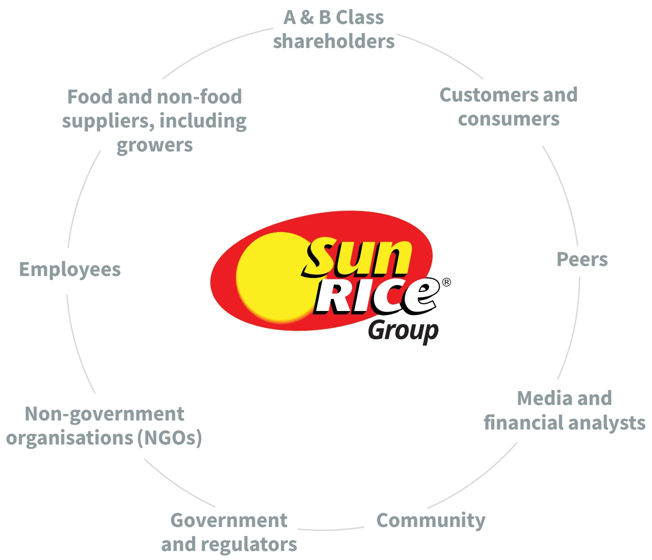
The two business groups, while separate, have mutual benefits and purposes. They complement each other, strengthening the alignment between our investors and growers.

Our objective is to optimise returns for both classes of shareholders.

A Class Shareholders	B Class Shareholders
Growers	Investors
Australian Rice Pool Business	Profit Businesses
Receival, milling & selling of Riverina Rice	International Rice, Rice Food, Riviana Foods, CopRice & Corporate
Revenue – Expenses = Paddy Price	Revenue – Expenses = Profit
Payments for paddy rice to A Class Shareholders and growers	B Class Shareholders entitled to dividends

Shared costs
Asset financing charge
Brand use charges

For more details of the non-standard elements of SunRice's structure see: www.investors.sunrice.com.au/investors/



Our stakeholders

We are committed to providing our stakeholders with credible, transparent and timely information. We engage with them on the topics that matter most through a variety of channels and respond to their insights, both directly and as a Group. The refresh of our Stakeholder Engagement Framework scheduled for FY2023 was delayed. However, we are committed to updating our framework and material topics in FY2024.

Our 2020 Stakeholder Engagement Statement, which outlines the material topics identified by our key stakeholders and business, can be found at: sunrice.com.au/sustainability-reports.

Our People

At the heart of the SunRice Group's success and ability to implement our Growth Strategy is our purpose-driven culture with more than 2,000 passionate and dedicated people across the world. Working together, the team seeks to deliver on our purpose to make a difference to places and lives everywhere through our nourishing and delicious products.

The capability of our people to remain focused on this purpose, while readily adapting and responding to the external dynamics faced by the business, is reflected in the strength of the FY2023 results and the Group's capacity to withstand the global challenges of ongoing supply chain volatility, inflationary pressures and geopolitical conflict.

Keeping our team safe

One of our highest priorities is the safety and wellbeing of our people and the communities we work in. At all levels of our organisation, we prioritise the integration of health and safety measures. Our Health and Safety Policy and the underlying Safety Management System embody our duties and aspirations to provide secure and healthy workplaces.

In FY2023, the Group's Australian businesses have successfully achieved the certification of our Safety Management System to the International Standard for Occupational Health and Safety Management Systems, ISO 45001:2018. We now maintain ISO45001 certification in Australia, the U.S. and PNG. A total of 80% of our global operations have been included within the certification scope of ISO45001, with planned transition of all remaining sites by the end of FY2024.

Key measures of our Group safety performance improved significantly in FY2023, including a 38.5% reduction in the number of recordable injuries and a 35.4% reduction in the Total Recordable Injury Frequency Rate (TRIFR) at 6.93. A slight increase was noted in our Lost Time Injury Frequency Rate (LTIFR) at 2.46.

Our commitment to managing risk and preventing incident re-occurrence was also reflected in our achievement of excellence in proactive measures, with an Action Closure Rate of 98% and a Hazard Closure Rate of 97.8% in FY2023. A 100% completion rate for our Safety Leadership Activities Program contributed to this outcome, as did a 92.6% completion rate for training programs supporting safety ownership and leadership across all sites.

In FY2024, we will continue to engage with our global frontline employees and leaders to establish meaningful safety and wellbeing initiatives as we work towards the realisation of our 'Zero Harm' vision.

Fostering a high performing and engaged workforce

Fostering a high performing and engaged workforce is critical to our culture and in FY2023 we took the opportunity to strengthen this further by creating meaningful connections between our employees and the refreshed purpose, vision, mission, values and behaviours work completed in FY2022. The inaugural Purpose Week is just one example which was celebrated across the SunRice Group and provided an opportunity for us to connect with each other. It was also a chance for employees to experience our purpose in action through our Purpose Discovery Events and give back to the communities in which we live and operate across the world.

Our Chadstone office team in Victoria packed 157 hampers during their Purpose Discovery Event, which were donated to three different charities.

Our Vietnam team held a Culture Day where they packed hampers which were donated to the Binh Thanh Trung Village.

Life skills program participants from Clontarf Foundation Academy

Life skills for the future

Since 2018, the SunRice Group has proudly supported the Clontarf Foundation's Academy at Narrandera High School, NSW, by providing opportunities for students to gain knowledge and learn new skills that they can take into the future post-secondary schooling. The Foundation exists to improve the education, discipline, life skills, self-esteem and employment prospects of young Aboriginal and Torres Strait Islander men, a number of whom have participated in site tours or work experience programs in our Riverina facilities. In FY2023, we extended the support of the program to offer an IT traineeship, with the first recruit joining SunRice as a Desktop Services Trainee after finishing his schooling in 2022. Additionally, we have recently offered full time employment to a Clontarf Academy graduate in our Leeton manufacturing facility.

*SunRice Chairman **Laurie Arthur**, 2023 Jan Cathcart Memorial Scholarship recipients **Lily Delves** and **Tiarna Burke**, and **Steve Cathcart***

Encouraging the next generation

In its ninth year, the SunRice Group's 2023 Jan Cathcart Memorial Scholarship was awarded to joint recipients Tiarna Burke from Coree, NSW, and Lily Delves, from Hanwood, NSW. Since its inception, we have awarded a total of $200,000 through the scholarship to support, encourage and create pathways for the next generation of female leaders in our communities.

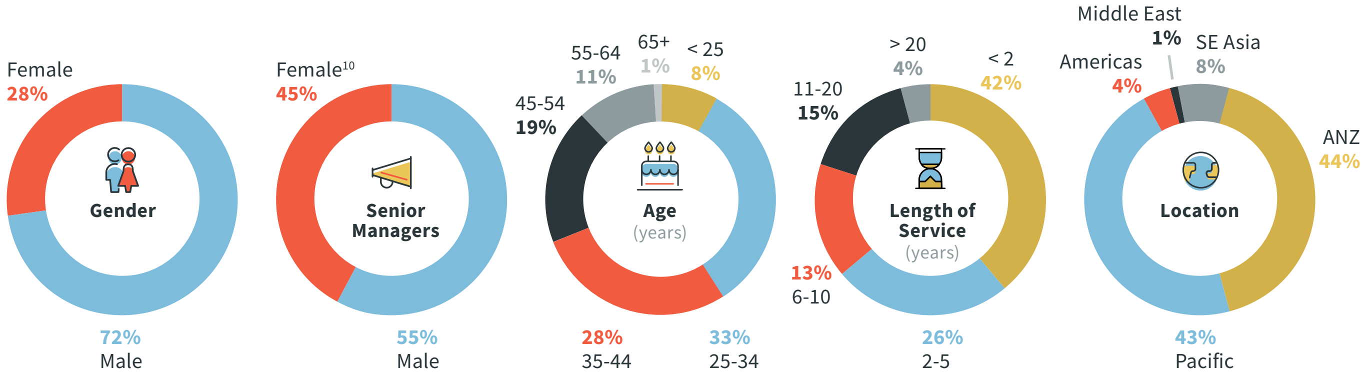
Launched in 2014, the Jan Cathcart Memorial Scholarship honours the memory of former SunRice group employee Jan Cathcart, whose principles and commitment to the Australian rice industry spanned over 43 years and helped pave the way for women in her field.

The scholarship of up to $10,000 per year for each student will support Tiarna and Lily in their studies. Tiarna is pursuing a Bachelor of Occupational Therapy at Charles Sturt University in Albury, and Lily is in her second year of Bachelor of Engineering/Bachelor of Science double degree, majoring in Environmental Engineering and Sustainable Agriculture, at the Australian National University.

"I am excited to work with fellow women to support each other and tackle gender stereotypes, paving the way for future generations of women, to help continue Jan's legacy."

Lily Delves, SunRice Group 2023 Jan Cathcart Memorial Scholarship recipient

Figure 1 – Our global employee base as at 30 April 2023



10. Senior Management includes Senior Executives and their direct and indirect reports, who have responsibility for the creation and implementation of long-term strategy, autonomy to operate and/or leadership responsibilities.

Our Brands & Products

The SunRice Group develops diverse, innovative and nutritious rice food products and ingredients that help make a difference to the lives of people in more than 50 countries.

The strength of our ~35 major brands has continued to grow, with leading positions in 14 countries.

Our business segments, product mix and markets are directly aligned to our Growth Strategy (see Our Strategy on page 14).

AUSTRALIAN RICE POOL BUSINESS

Australian Rice Pool

Supplying premium branded Australian rice built on provenance and our heritage.

#1 rice brand in Australian and NZ grocery

#1 rice brand in Australian food ingredients channels

PROFIT BUSINESSES

International Rice

A growing global supply chain and distribution network, delivering quality products.

#1,#2 medium grain rice brand in four Middle Eastern markets

#1 rice brand across PNG, the Solomon Islands, Hawaii USA and across six other Pacific Island markets

Rice Food

Innovation in healthy snacking and food ingredients aligned to global food trends.

#1 rice cakes brand in Australia and New Zealand

#1 microwave rice brand in Australia

Riviana Foods

Brand-led gourmet food business building on "special occasions" and key consumer trends.

#1 pickled vegetables and olives brand in Australia

#1 pizza base and waffle brand in Australia

CopRice

Innovative animal nutrition that leverages the SunRice Group's Riverina rice by-products.

#1 equine sports lifestyle brand in Australia

#1 equine breeding brand in Australia

Our Strategy

The ongoing execution of the Growth Strategy[11] during the year continues to deliver on our objectives to improve the prices we pay our growers and increase returns for both classes of shareholders as one of Australia's leading branded food exporters, with a multi-origin, multi-market global supply chain.

The Group's business model is structured to benefit our investors, our growers, our people and the communities in which we operate and our strategy reflects this. The Group's Approach to Sustainability (see pages 28–37) is aligned to the implementation of this Growth Strategy and the Group's targets and ambitions.

The Growth Strategy plan and its targets remain responsive to and appropriate for the external macro factors and specific business challenges that influence the SunRice Group as we strive for success.

The $286m invested in Growth Strategy acquisitions and capital expenditure since FY2017[12] has supported the Group's strong FY2023 results

Our objectives

To optimise returns for both classes of shareholders by:

Securing a reliable and adaptive global supply chain

Adapting our product range to take advantage of changing food trends

Increasing profits and reducing earnings volatility

How we are meeting our objectives

1. **Cementing a global supply chain in response to increased demand in branded products, to ensure quality and reliability.**
2. **Working to reposition Australia as the supply source of choice for premium branded rice markets.**
3. **Utilising our capabilities and deep insights with consumers to meet evolving global food trends while leveraging our brands, especially in healthy eating and snacking:**
   - **Diversifying into new markets** to offer high-quality and convenient packaged rice of trusted provenance.
   - **Helping to address** the obesity and diabetes epidemics with our unique Low GI rice.
   - **Being recognised as a leader in healthy snacking** through a range of innovative snacks.
   - **Operating a food ingredients business** with a range of high-value rice derivatives servicing global food companies.
   - **Assuring quality** with traceability, no matter where we grow our rice.
4. **Being recognised for our high performance, delivered by a positive, inclusive and accountable culture.**
5. **Accelerating the growth and diversity of our strong, cash-generative portfolio, including through further investment in Riviana Foods, CopRice and other segments.**

What success looks like

Strong financials
An aspirational revenue target of $2b[13] and to maintain double digit returns on capital employed.

Premium branded player
Leveraged our reputation for quality and innovation in premium varieties, healthy eating and snacking.

Asian presence
Expanded sales in high-growth Asian consumer markets.

Diversified earnings
Expanded our CopRice and Riviana Foods segments through strategic growth opportunities.

Food ingredients expansion
Built our tailored food ingredients offering to service commercial customers.

Resilient global supply chain
Secured a multi-varietal and resilient global supply chain with Australian growers at its centre.

Be recognised for our high-performance teams
Built a positive, inclusive and accountable culture where everyone makes a difference.

Be recognised as leaders in environmental, social and ethical business performance
Leveraged our credentials to build agility, trust and resilience in our supply chain, consumers and communities.

11. In FY2021, the SunRice Board extended the Growth Strategy's timeline by two years to 2024.

12. $115m invested across multiple strategic acquisitions and $171m invested in capital expenditure FY2017–FY2023 inclusive.
13. This is an aspirational target, not a budget or forecast and assumes reasonable macro conditions.

Our Strategy in Action

Pursuing strategic growth opportunities

In FY2023, Riviana Foods acquired the Australian Waffle Company for $1.8 million. The acquisition complements Riviana's portfolio and provides some onshoring manufacturing capability in the baked goods category, which may help to mitigate the impact of increased costs associated with imported products. Additional options and opportunities in onshoring manufacturing capabilities may be considered by the SunRice Group more broadly moving forward, particularly in the context of the current high inflationary environment impacting the cost of both imported products and shipping.

Growing our multi-origin locations

The second consecutive year of successful trials of Australian varietals was completed in Argentina in FY2023, which has increased our confidence in the SunRice Group's ability to use Argentina as a potential sourcing location for medium grain rice in the future.

Our Financial Performance & Position

	FY2023		FY2022
Group Revenue	$1.64b	↑23%	$1.33b
Australian Rice Pool Business Revenue	$335.3m	↑36%	$246.1m
Profit Businesses Revenue	$1.30b	↑20%	$1.08b
Fully Franked Dividend[14]	50 cents	↑25%	40 cents

	FY2023		FY2022
Group EBITDA	$117.0m	↑28%	$91.3m
Group Net Profit Before Tax	$69.7m	↑17%	$59.7m
Group Net Profit After Tax	$54.8m	↑12%	$48.7m
Basic Earnings Per B Class Share	83.8 cents	↑9%	77.2 cents

Australian Rice Pool Business Revenue | Profit Businesses Revenue

$335.3m	$735.0m	$113.0m	$215.0m	$236.1m	$3.6m
Rice Pool	International Rice	Rice Food	Riviana Foods	CopRice	Other Revenue

SunRice Group Overview

The strength of the SunRice Group's business model, the ongoing execution of the Growth Strategy and the abundance of Australian rice enabled an impressive performance in FY2023. The Group recorded a large uplift in profitability compared to FY2022, together with its highest ever Group revenue and naturally determined paddy price, against the backdrop of a challenging inflationary environment.

Revenue for FY2023 was $1.64 billion, up 23% on FY2022, while Earnings Before Interest, Tax, Depreciation, Amortisation and Impairment (EBITDA) was $117.0 million, up 28%, and Net Profit After Tax (NPAT) was $54.8 million, up 12%. The Group's basic Earnings Per B Class Share (EPS) for FY2023 is 83.8 cents compared with 77.2 cents in FY2022.

This outstanding outcome reflects a number of initiatives implemented during the year to support SunRice's growth ambition and reinforce the Group's earnings in uncertain times.

14. Comprising an interim dividend of 10 cents per B Class Share declared on 15 December 2022 and a final dividend of 40 cents per B Class Share declared on 22 June 2023.

Key drivers of performance and global context

The improved availability of rice in the Riverina saw the CY22 crop being 65% larger than the CY21 crop. This supported strong sales volumes in key premium markets (including Australia, New Zealand and the Middle East) and enabled the Group to supply new and existing markets particularly in Europe and the U.S., which have been affected by drought. The resulting uplift in the Rice Pool business's revenue translated into a record naturally determined paddy price in CY22 of $461 per tonne for medium grain Reiziq (the previous record was $428 per tonne in CY21). This also benefited B Class Shareholders across a number of segments, as the greater availability of Riverina rice supported an uplift in the profitability of the Rice Foods segment and improved profitability in the Corporate segment in FY2023, through the delivery of an additional $10.8 million in Brand and Asset Financing charges compared to FY2022.

In response to the escalating cost base, sales price increases were also enacted across most of the Group's segments and product categories, which supported the FY2023 results. These were complemented by favourable changes in product mix in some markets, particularly the U.S., where the SunRice Group focused on supplying branded packed rice for consumers instead of the lower value bulk export business.

Pleasingly, CopRice gained significant traction in its recovery in FY2023, with a return to profitability driven by continued momentum in the segment's Australian ruminant business and the Companion Animal portfolio through strategic partnerships providing greater distribution channels in wholesale and specialty retailers.

The first full year contribution of Pryde's EasiFeed (acquired in January 2022) further supported the uplift in the segment's revenue and profitability through improved presence in the high value equine market.

The improvement in Group revenue and profitability demonstrates the strength of the Group's brands and market positioning, particularly as the high inflationary environment impacts consumer spending. This improvement further validates the various organic and strategic growth initiatives delivered across the Group in recent years, which enabled the SunRice Group to better withstand some of the challenges that have affected other industries and companies in FY2023.

In particular, ongoing disruption to domestic and global supply chains and operations made the sourcing and shipping of products more complex and costly for most of FY2023. This disruption resulted in a $79.0 million (54%) increase in freight and distribution costs borne by the Group compared to FY2022. The recent normalisation of shipping costs is however expected to improve the Group's results in FY2024. The Group also faced challenges from the availability of pallets, food-grade container space and vessels, as well as from labour shortages, absenteeism, flooding and logistics bottlenecks for parts of the year, which caused delays and added costs to the Group's operations and value chain. Repeated COVID-19 lockdowns in China, coupled with a greater than usual disruption during the Chinese New Year period, also affected the Group's ability to supply rice to key Pacific markets, causing the Group to activate more costly contingency plans. However, the Group's business units continued to work with both their supply chain and distribution partners to limit the impact of, and partially recover, these additional costs in the form of increased sales prices, albeit with a time lag and limitations in some markets.

Widespread and worsening inflationary pressures on key business inputs and costs also had a pervasive effect across the Group's operations in FY2023. These included the rise in energy costs, (particularly in Europe where the Riviana Foods segment sources a significant portion of its product range), the spike in wheat pricing earlier in the year and supply issues resulting from circumstances such as the Ukraine conflict, drought conditions in certain sourcing countries (which supported a sharp rise in world rice prices) and other local manufacturing constraints.

General inflation in the economies in which the SunRice Group operates drove a material increase in labour costs in FY2023. These costs were magnified by the Group's ongoing investment in employee value proposition initiatives to retain and attract talent in a highly volatile employment market, such as recruitment drives and incentive and retention programs, which added circa $6 million in costs in FY2023.

In addition, the volatile foreign exchange rates, particularly the weakening of the AUD (and to a lesser extent some of the Pacific currencies for which no hedging opportunities currently exist) against the USD was unfavourable during FY2023 for the Group's import-focused businesses such as the Rice Food segment, Riviana Foods and some of the International Rice segment's subsidiaries. Conversely, this situation was favourable to revenue generated from the Australian Rice Pool Business's exports, helping to underpin the record paddy price for CY22. These foreign exchange movements also positively affected the translation of the results of the Group's foreign operations into the Group's consolidated results.

Other operating expenses

The volume of Australian rice production in CY22, together with cost inflation across the board, drove an increase in most expense categories in the Group's consolidated income statement in FY2023. The uplift in production also affected energy costs where the year-on-year increase was heightened by the higher moisture content in the CY22 crop, which required more aeration than the CY21 crop processed in the prior year.

The significantly higher finance costs in FY2023 reflect the impact of rising interest rates compounded by the increase in net debt driven by the larger CY22 crop and the other seasonal factors that have impacted the year.

Advertising and artwork costs increased in line with the revenue growth, allowing for investment in promotional and marketing activities to support innovation, and continue to build the strength and growth of the SunRice Group's brands.

Travel costs increased as employee travel progressively resumed as the world re-opened post COVID-19, facilitating the re-engagement in key stakeholder relationships both internally and externally.

Effective tax rate

The Group's effective tax rate for FY2023 was 21%, compared to 18% for FY2022. This rate continues to reflect the blended nature of the Group's local and international operations and highlights the rebound in profitability of some of the Group's Australian operations, in particular CopRice and Corporate.

Capital management and dividend declared

The Group continues to maintain a responsible approach to its investment, divestment, and corporate development strategy to acquire value accretive businesses and monetise non-core assets.

Despite generally challenging trading conditions, the Group successfully acquired the Australian Waffle Company for $1.8 million in FY2023 and performed a strategic review of the Group's non-core assets, demonstrating discipline in the active and dynamic management of the Group's capital. This review led to the sale of a number of properties which generated $3.3 million of profit before income tax (recognised in other Income) as well as the impairment of a number of non-strategic and/or under-utilised assets for a combined $5.2 million.

A total fully franked dividend of 50 cents per B Class Share (representing a payout ratio of 60% and a yield of 8.1% based on the B Class Share price applicable on 30 April 2023) was declared for FY2023, comprising:

	Interim Dividend 15 December 2022	Final Dividend 22 June 2023
B Class Shares	10 cents	40 cents

The CY22 record paddy price and FY2023 dividend once again demonstrate the Group's ongoing focus on delivering value to both A and B Class Shareholders and the complementary nature of the Rice Pool and Profit Businesses.

Segment performance

Revenue	FY2023 $000's	FY2022 $000's	Variance $000's	%
Rice Pool	**335,347**	**246,101**	**89,246**	**36**
Profit businesses	**1,299,109**	**1,084,949**	**214,160**	**20**
International Rice	734,998	620,918	114,080	18
Rice Food	112,959	106,431	6,528	6
Riviana	215,031	196,505	18,526	9
CopRice	236,121	161,095	75,026	47
Other Revenue	3,567	3,343	224	7
Total	**1,638,023**	**1,334,393**	**303,630**	**23**

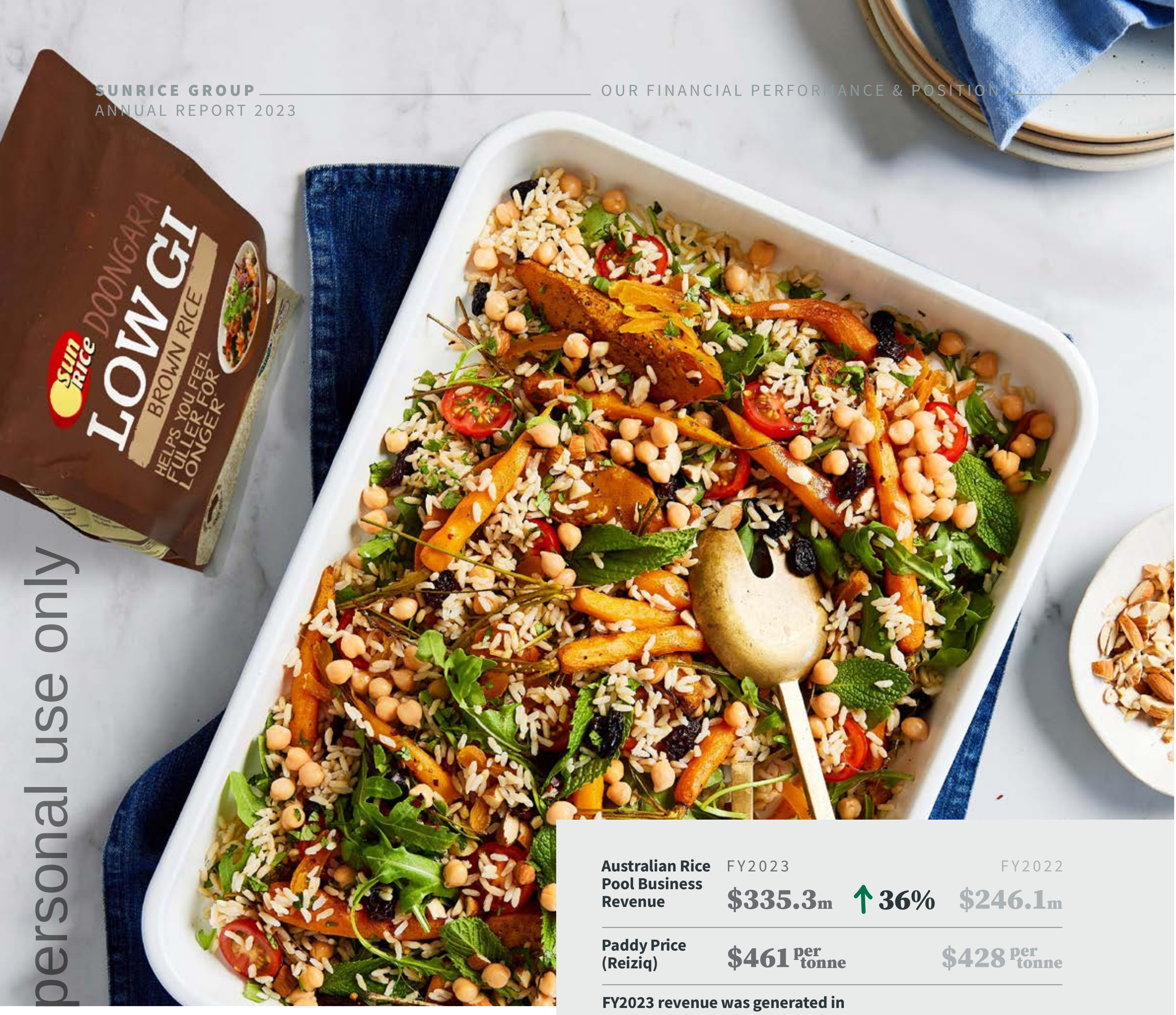
EBITDA	FY2023 $000's	FY2022 $000's	Variance $000's	%
Rice Pool	**–**	**–**	**–**	**–**
Profit businesses	**116,965**	**91,343**	**25,622**	**28**
International Rice	39,882	43,590	(3,708)	(9)
Rice Food	11,065	7,900	3,165	40
Riviana	6,313	14,003	(7,690)	(55)
CopRice	12,395	(510)	12,905	n.a.
Corporate	47,310	26,360	20,950	79
Total	**116,965**	**91,343**	**25,622**	**28**

Net Profit Before Tax	FY2023 $000's	FY2022 $000's	Variance $000's	%
Rice Pool	**–**	**–**	**–**	**–**
Profit businesses	**69,699**	**59,668**	**10,031**	**17**
International Rice	27,797	34,217	(6,420)	(19)
Rice Food	9,028	5,896	3,132	53
Riviana	4,677	12,467	(7,790)	(62)
CopRice	5,529	(5,512)	11,041	n.a.
Corporate	22,668	12,600	10,068	80
Total	**69,699**	**59,668**	**10,031**	**17**

Creating value and innovation from our grain

The SunRice Group's focus on extracting value through its supply chain dates back to 1974 in Leeton, NSW, with the production of meals for stockfeed using ground hulls and rice pollard. Continued automation, mill expansion and in more recent years strategic acquisition, has seen CopRice expand its market beyond stockfeed supply in the Riverina to a diversified animal nutrition business with a high-quality range of feeds for the ruminant, companion animal and equine markets across Australia, New Zealand and select export markets. CopRice delivered record revenue and significantly improved performance in FY2023. Despite the turnaround, it was still a challenging year. For further details see page 24.

*CopRice Senior Territory Sales Manager, South-West Victoria **Michael Cottam** and General Manager CopRice **Ganesh Kashyap***



Australian Rice Pool Business Revenue	FY2023		FY2022
Australian Rice Pool Business Revenue	$335.3m	↑36%	$246.1m
Paddy Price (Reiziq)	$461 per tonne		$428 per tonne

FY2023 revenue was generated in

AUSTRALIA & NEW ZEALAND	ASIA	MIDDLE EAST	EUROPE	OTHER
36%	29%	27%	7%	1%

Australian Rice Pool Business

The CY22 crop, at approximately 688,000 paddy tonnes (CY21: 417,000 paddy tonnes), was our largest in five years. This volume, coupled with positive milling yields, supported strong overhead recovery and delivered flow-on benefits across the Riverina region in FY2023.

This increased availability of Australian rice also provided opportunities for additional participation in global government tenders and higher sales volumes in premium markets both domestically and internationally. These included the most successful Ramadan campaign in the last three years in the Middle East and the supply of Australian rice into drought affected markets in the U.S. through our SunFoods subsidiary and Europe.

Food Service regained momentum in FY2023 with the absence of lockdowns, the recovery of the restaurant and catering sector and the return of tourists and students to Australia, leading to an increase in sales volumes by 34% compared to FY2022.

Sales price increases across the segment's product portfolio, along with a weakened AUD and generally high world rice prices further contributed to the revenue gains in both domestic and export markets. This pricing uplift helped to partially offset the significant inflationary pressures incurred during the year, particularly in relation to freight (up 102% compared to FY2022, equivalent to $84 per paddy tonne) and labour costs.

These favourable dynamics enabled the Rice Pool Business to deliver a naturally determined paddy price of $461 per tonne for medium grain Reiziq for the CY22 crop – a historic record for the Group which immediately followed and was well ahead of the previous record of $428 per tonne (CY21).

PROFIT BUSINESSES

International Rice

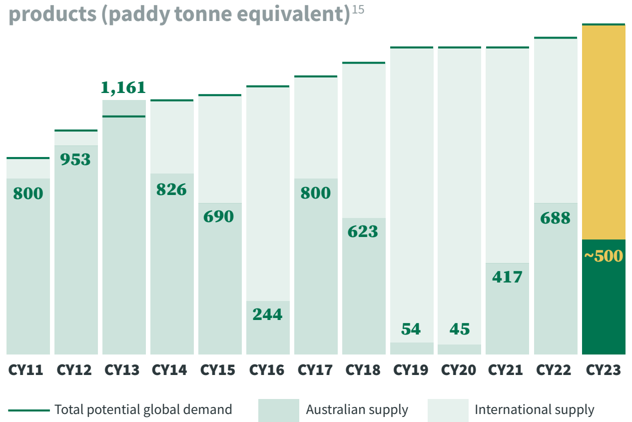
The significant increase in revenue for International Rice compared to FY2022 continued to demonstrate the strength of the Group's multi-origin, multi-market business model and strategy. This business model has seen the Group build and maintain international supply chains over the years, enabling demand growth even in periods of large Australian rice production. This is evident from the fact that in FY2023, Ricegrowers Singapore, the trading arm of the Group serviced 37 markets and sourced rice from 10 countries outside of Australia and the U.S.

The complementary nature of the Group's A and B Class shareholding structure was evident through new growth opportunities in FY2023. This included in the U.S., where prevailing drought conditions provided the opportunity to supplement our U.S. markets with Australian rice, benefiting both classes of shareholders and ensuring continued supply to our U.S. customers. Australian rice distributed through our Middle East subsidiary also supported the delivery of our most successful Ramadan campaign in the last three years, and the Group was able to expand its portfolio in the region with the successful launch of SunWhite Family rice into the Jordan market.

Other factors that further supported revenue growth in this segment in FY2023 included:

- Successful commercial measures initiated by the Group in the PNG market against a backdrop of competition and a depressed regional economic environment;
- A favourable change in product mix for the SunFoods subsidiary in the U.S., with a greater proportion of higher value domestic volumes delivered in FY2023 and better returns in tender markets. SunFoods also launched its Kokusai brand in Costco stores in the U.S. and extended its footprint in the Asian Distributor Channel;
- The sale of rice into Europe where the continent had supply challenges driven by ongoing drought conditions;
- The implementation of sales price increases across the various segments' markets and product portfolio to counter the inflationary pressures on costs; and
- The weakening AUD against the USD and the PNG Kina (PGK), which had a positive effect on the translation of the results of the Group's foreign operations into the consolidated results.

Figure 2 – Riverina supply vs. global demand for SunRice products (paddy tonne equivalent)[15]



Revenue	FY2023		FY2022
Revenue	$735.0m	↑18%	$620.9m
EBITDA	$39.9m	↓9%	$43.6m
Net Profit Before Tax	$27.8m	↓19%	$34.2m

FY2023 revenue was generated in

PACIFIC ISLANDS	UNITED STATES	MIDDLE EAST	AUSTRALIA & NEW ZEALAND	OTHER
46%	24%	15%	9%	6%

Despite these gains and the ongoing focus on cost containment initiatives across its various business units, the International Rice segment faced a number of major challenges that weighed on profitability during FY2023, including:

- Disrupted and limited access to rice supply from China primarily due to COVID-19 control measures, which triggered the need to activate and redirect alternative higher cost contingency sourcing plans to mitigate the risk of product availability in some Pacific markets;
- The increase in international rice prices, in part due to reduced Chinese exports and drought in a number of key sourcing countries, as well as trade protectionist measures in some countries. This was compounded with a weakening AUD against the USD, which further increased the cost of varieties imported into Australia compared to FY2022;
- The ongoing disruption to local and international supply chains and the related higher freight, demurrage and other distribution costs over the year; and
- Delays and other constraints in passing the increased cost of doing business to customers due to standard pricing negotiation timelines, competitive dynamics in end markets, government regulations limiting price increases for staple food in some markets and consumer price elasticity.

15. Paddy tonnes equivalent assuming average milling yields based on source country. This figure represents total demand based on current supply sources and existing market conditions, and potential opportunities given global rice market dynamics.

Rice Food

During FY2023, the Rice Food segment continued to focus on converting opportunities aligned to global food trends through innovation and new product initiatives. Examples include the launch of SunRice Black and Red microwaveable rice pouches in Australia and New Zealand, as well as the introduction of new snack products into retail stores such as SunRice Crunch Ems in Australia. The development of a three-year innovation pipeline for core rice and snacks is also placing the segment in a good position to unlock future growth.

Sales price increases across several product categories (particularly rice flour and microwave products) further contributed to Rice Food's revenue uplift in FY2023. This pricing action however resulted in some market share loss in Australia. Conversely, due to its local manufacturing capability which supported a stronger continuity of supply, the segment was able to benefit from other suppliers experiencing supply shortages on some imported products for parts of the year.

At Net Profit Before Tax level, these favourable impacts were supported by the continued availability of broken rice in FY2023, in contrast to the use of a significantly more expensive head rice required in flour manufacturing for part of FY2022.

The segment's results were however partly reduced across the Convenience and Snacking categories by ongoing disruption to supply chains caused by floods, labour shortages, staff absenteeism and other operational issues linked to delays in raw materials, packaging inputs and the unloading and inspection of imported products into Australia.

	FY2023		FY2022
Revenue	$113.0m	↑6%	$106.4m
EBITDA	$11.1m	↑40%	$7.9m
Net Profit Before Tax	$9.0m	↑53%	$5.9m

	AUSTRALIA	NEW ZEALAND	OTHER
FY2023 revenue was generated in	91%	7%	2%

Riviana Foods

	FY2023		FY2022
Revenue	$215.0m	↑9%	$196.5m
EBITDA	$6.3m	↓55%	$14.0m
Net Profit Before Tax	$4.7m	↓62%	$12.5m

	AUSTRALIA & NEW ZEALAND
FY2023 revenue was generated in	100%

Riviana Foods achieved record revenue in FY2023. This was in part due to volume growth in some product categories, in particular bakery and soups (up 7% and 6% respectively on FY2022), which was underpinned by successful promotional and in-store marketing activities.

The ranging of additional products in major retailers also contributed to the segment's performance. Examples included the continued expansion of the Toscano brand, as well as gaining an additional 7,500 biscuit distribution points, supporting incremental volume growth of 20% through Woolworths.

The expanded ranging was a significant achievement in the context of retailers seeking to rationalise their product and brand offering, and given the number of products in these categories impacted by the current inflationary environment which weighs on consumer spending. It also highlights the relevance of the business's recent strategic initiatives, with the growth in these categories being largely supported by the brands acquired from KJ&Co in FY2021.

The ongoing recovery in Food Service also contributed to an increase in volumes in this sector by 12% in FY2023.

Sales price increases were instigated across the product portfolio throughout FY2023 to counter various inflationary pressures and were a key contributor to the overall revenue increase for Riviana Foods. However, despite the areas of volume growth discussed above, these sales price increases and the other inflationary pressures that impacted the average consumer basket during the year affected volumes in some of the segments core categories, particularly in Pickled Vegetables.

A number of other challenges prevented the revenue growth converting into profit including:

- The sharp and rapid rise in the cost of imported products, in part driven by the weakening AUD against the USD;
- European energy cost increases, compounded by a spike in wheat prices as well as global and local shortages in some raw materials. Combined, these issues affected some of Riviana's production and on-shelf availability throughout FY2023 and also required the use of more expensive alternative ingredients putting pressure on margins;
- The ongoing systemic disruption to the global shipping industry and the related escalation in freight, fuel and other distribution costs such as demurrage. This situation impacted inventory management despite a progressive easing by year end, resulting in higher storage costs and the need to fast-track shipments in some instances to meet retailer demand; and
- The lead time between absorbing inflationary pressures on costs and revisiting in-market sales prices in an effort to recoup the lost margins.

In response to the changes in some of these macro trends, Riviana Foods bolstered its onshoring capability during FY2023 with the purchase and successful integration of the Australian Waffle Company. This strategic acquisition is providing local manufacturing capability in the baked goods category, offering a viable sourcing alternative to help mitigate supply chain disruptions and the impact of increases in the cost base of some imported products.

*Pyrde's EasiFeed Ambassador **Robbie McKinnon** riding Robali Razzamatazz*

CopRice

	FY2023		FY2022
Revenue	$236.1m	↑ 47%	$161.1m
EBITDA	$12.4m	↑ n.a.	$(0.5)m
Net Profit Before Tax	$5.5m	↑ n.a.	$(5.5)m

FY2023 revenue was generated in	AUSTRALIA & NEW ZEALAND	ASIA
	95%	5%

CopRice delivered record revenue and significantly improved performance in FY2023, which was largely driven by business turnaround actions in the segment's Australian Ruminant and Companion Animal businesses.

In CopRice's base business, positive revenue drivers came from:

- Focused new customer acquisition within the proximity of Ruminant stockfeed mills where the business had a freight advantage;
- Strategic partnerships with leading agricultural wholesalers, which drove deeper distribution of our Companion Animal range in more stores;
- Acceleration of growth in CopRice's dog food business, driven by market share gains for the segment's branded range in the agricultural retail channel, and incremental growth in private label volumes in the pet specialty retail channel; and
- Increased sales prices in line with increasing commodity, production and distribution costs.

These drivers, combined with efforts to maximise asset utilisation and lift plant efficiencies (for example with further investment and productivity improvements made at the Leeton manufacturing facility during the year), as well as improved availability of rice by-products from the larger CY22 crop, supported CopRice's return to profitability in FY2023, after consecutive years of losses in FY2022 and FY2021.

This recovery was further enhanced by the acquisition of Pryde's EasiFeed in January 2022, which delivered ahead of expectations for its first full year contribution in FY2023.

CopRice's positive gains in revenue and profitability were delivered despite a number of challenges during FY2023, which included:

- Rising commodity costs and inflationary pressures on other input costs;
- The recruitment and retention of staff in regional locations;
- Reduced reliance on supplementary stockfeed for ruminant species due to abundant pasture availability and inflationary cost pressure for farmers; and
- Floods in Northern Victoria and a humid spring in New South Wales and Queensland, which led to unfavorable cost impacts in the supply chain.

*SunRice Group Packing Coordinator **Barry Leetham***

Corporate

	FY2023		FY2022
EBITDA	$47.3m	↑ 79%	$26.4m
Net Profit Before Tax	$22.7m	↑ 80%	$12.6m
Brand and Asset financing charges received from the Australian Rice Pool Business	$29.4m	↑ 58%	$18.6m

The sharp rise in the cost of capital due to interest rates hikes together with the improved availability of Riverina rice in CY22, which triggered higher average levels of net working capital in the Australian Rice Pool Business during the year, benefitted the Corporate segment via higher levels of Asset Financing Charges received from the Australian Rice Pool Business during FY2023. The corresponding increase in branded sales levels in the Australian Rice Pool Business in FY2023 also led to higher brand charges being received in the Corporate segment.

The Corporate segment's Net Profit Before Tax also includes the impact of the Group's strategic review of its non-core assets, including the sale of a number of properties ($3.3 million) and impairment of a number of non-strategic and/or under-utilised assets across the Group ($5.2 million).

Operating, investing and financing cash flows

The Group continued to exercise financial discipline during FY2023 and to proactively manage its net working capital requirements.

Operating cash outflows in FY2023 were $48.6 million and were primarily due to the increased inventory levels following the receipt of a large CY22 Australian crop, which is in part carried over to FY2024. In FY2022, operating cash inflows of $24.3 million were due to the depletion of inventory levels as the Group exited a period of persistent drought conditions and reduced Australian rice production.

Investing cash outflows in FY2023 were $16.3 million and were primarily due to capital expenditure engaged to maintain core assets. In FY2022, the $54 million investing cash ouflows included $38 million paid for the acquisition of Pryde's Easifeed.

Financing cash inflows were $99.8 million in FY2023, compared with $32.9 million in FY2022. This change reflects the additional amounts drawn down on the Group's Seasonal Debt facility during the financial year to finance the increase in net working capital. The FY2023 acquisition of the Australian Waffle Company was also financed entirely through existing cash reserves and available financing facilities.

Balance sheet items

Net Debt, Net Working Capital, Gearing and other key metrics

Net Debt[16] of $291.4 million and Gearing[17] of 34% at 30 April 2023 both increased from $197.8 million and 28% respectively at 30 April 2022. These significant increases reflect an underlying increase in Net Working Capital[18] from $341.2 million at 30 April 2022 to $478.5 million at 30 April 2023.

This significant increase in net working capital was primarily driven by the receipt of a larger CY22 Australian rice crop which was in part carried over into FY2024, while there had been a limited amount of CY21 crop carried into FY2023. This was compounded in the lead up to 30 April 2023 by disrupted supply chains out of Europe and China leading to higher than usual inventory levels in parts of the Group as well as the general inflationary environment fueling a number of balances on the Group's balance sheet.

The Group's leverage ratio[19] and the Group's Return on Capital Employed (ROCE)[20] were 2.5x and 9.8% at 30 April 2023 respectively, compared to 2.2x and 9.3% at 30 April 2022. The deterioration in the leverage ratio directly correlates to the increase in Net Debt (primarily attributable to an increase in Seasonal Debt) and Net Working Capital discussed previously. While these factors have also affected the ROCE, the marked Improvement In profitability in FY2023 has helped support the increase in this metric at 30 April 2023.

16. Net Debt equals current plus non current borrowings less cash and cash equivalents.
17. Gearing equals net debt divided by net debt plus equity.
18. Net Working Capital equals receivables plus inventories less current payables less amounts payable to Riverina rice growers less current tax liabilities (net of current tax recievables) less current provisions.
19. Leverage ratio equals net debt divided by EBITDA.
20. Return on Capital Employed (ROCE) equals EBIT divided by Capital Employed where EBIT is Earnings Before Interest and Tax and Capital Employed is total assets (less cash) less total liabilities (less current and non current borrowings).

Banking facilities and covenants

In April 2023, the Group renegotiated the terms of its seasonal and core bank facilities.

With ample Australian rice supply and a desire for our SunFoods subsidiary in the U.S to be able to draw directly on the Group's facilities, the SunRice Group increased its seasonal facilities from $200 million to $300 million and uncommitted (trade) facilities by USD $50 million to $176 million (AUD equivalent). Core facilities were also increased from $220 million to $240 million.

The maturity dates of both core and seasonal facilities were extended to improve the management of liquidity risks, with tranches now maturing in 2024, 2025 and 2026.

The Group comfortably complied with all its covenants throughout FY2023.

Timing of the CY23 Australian Rice crop harvest

Due to the recent wet conditions in the Riverina region of NSW, the CY23 Australian crop harvest was delayed compared to its usual time frame (which is from March to May). As a result, Amounts Payable to Riverina rice growers reduced from $200.1 million at 30 April 2022 to $112.5 million at 30 April 2023. This delay in harvest also contained the increase in the Group's inventory levels at 30 April 2023.

Translation of foreign operations

The continued devaluation of the AUD against the USD and PGK during FY2023 has affected the translation of the financial performance and position of some of the Group's foreign operations in the consolidated financial statements. This devaluation has contributed to a general upward trend in a number of the Group's income statement and balance sheet line items in the current year and has increased the net asset position of the Group by $9.8 million at 30 April 2023 compared to 30 April 2022 (which is recorded in the foreign currency translation reserve in equity).

Our Outlook

The strong revenue momentum observed in FY2023 is expected to continue into FY2024, albeit likely at a more moderate pace, supported by:

- Positive effects of cycling the annualised price increases from FY2023;
- Growth initiatives across the portfolio, including further international expansion; and
- Ample Australian rice production (with the recently harvested CY23 crop of approximately 500,000 paddy tonnes), which should continue to underpin supply into key premium domestic and international markets and support profitability in a number of the Group's segments.

Growth in Group profitability in FY2024 is expected. Other key areas additional to the revenue factors discussed above which are expected to drive this profitability improvement include:

- Shipping conditions and container availability which have begun to improve, as evidenced by global shipping rates coming off their recent high levels; and
- The ongoing business recovery in our CopRice segment, as the benefits of its successful transformation program are realised.

The Group however continues to navigate an environment where input costs such as raw materials, labour and interest costs are expected to remain high. Combined with geopolitical uncertainties, volatility in foreign exchange rates and the impact of the current high inflationary environment on consumer spending trends, these factors may impact the expected earnings growth in FY2024.

Paddy price and crop outlook

While opportunities still exist in the short term for our Australian Rice and international supply chains, these are expected to be countered to a degree by the earlier than originally expected breaking of drought in the U.S. which will add competition back in key markets in FY2024, and is likely to trigger a reduction in global rice prices in both consumer and tender markets. Given these circumstances, the paddy price range of $390 to $450 per tonne announced in February 2023 for the CY23 crop remains in place at this stage. The outlook for CY24 crop plantings, which will be processed and marketed in FY2025, also remains positive with Southern New South Wales water storages currently over 90% full. This is expected to result in a fourth consecutive year of abundant Australian rice production in FY2025, with the Riverina storage and milling asset footprint expected to fully recover its operating costs.

Looking ahead

The Growth Strategy has positioned the SunRice Group to grow, adapt and thrive in dynamic market conditions. The Group continues to have a disciplined approach to capital management and while external conditions have not been favourable to more extensive merger and acquisition activity in FY2023, the Group continues to explore a well-developed pipeline of potential strategic opportunities, including acquisitions and non-core asset divestments.

The Group also remains focused on innovation and investment in new product development to capitalise on global food and consumer trends, supported by promotional and marketing activities across the business units to further strengthen the Group's established branded position.

Our Approach to Sustainability

The SunRice Group's sustainability strategy considers the vital role that a healthy environment has in enabling us to grow and produce food. Over the year, despite challenging economic conditions, the collapse of REDcycle, reports of increasing numbers of people held in slavery, and the earth moving closer to ecological limits, sustainability remains an important driver for the Group to deliver long-term, sustainable growth for our stakeholders.

Our six core focus areas outline our commitments to the environment, human rights and our communities, and are aligned to our Stakeholder Engagement Framework and material topics, which is available on our website: sunrice.com.au/stakeholder-engagement. Achieving our short and long-term sustainability targets is also a key success factor in our Growth Strategy.

Embedding our approach to sustainability into our strategy and operations enables us to build trust and resilience with our growers, consumers & communities and across our supply chain. These priority areas and long-term ambitions are also aligned to the Ten Principles of the United Nations (UN) Global Compact, which we are a participant of, and provide a pathway to assist with achieving the UN Sustainable Development Goals (SDGs).

With oversight from the Safety, Health and Sustainability Board Committee, in FY2023 we have continued our focus on embedding sustainability across the Group, tracking our performance, and developing innovative ways to overcome some of the challenges of the past twelve months. These challenges include the NSW floods in November 2022 which made it difficult for many of our growers to drill sow their crops ahead of the CY23 harvest; and the collapse of the REDcycle program which will impact the volume of recyclable packaging going to landfill.

Nonetheless, we have continued to see progress against the industry's aspirational target to achieve an average of 1.5 tonnes of rice paddy per megalitre by 2027, with growers sharing insights into techniques that they have employed to recycle on-farm water and drill sow. Improving water productivity on farm also ties into our climate resilience commitment. In FY2022, we committed to setting a Science Based Target (SBT) and have set the goal to have our target sent for validation in FY2024. We also conducted social due diligence on our supply chain, in accordance with our Supplier Sustainability Program,[21] including on a 1MW solar photovoltaic project that was commissioned at our Woodlands Mill, California. The plant will come into operation in FY2024.

Details of our FY2023 progress can be found in the following pages.

Our Sustainability Framework

Making a difference to the sustainability of places and lives by

Making a difference to our environment
Minimise the environmental impact of our products from farm to table.

Making a difference to our communities
Partner with communities to enrich lives socially and economically, leveraging our expertise wherever we operate.

Making a difference with nourishing products
Create nutritious products to improve the lives of consumers.

WE SUPPORT
UN GLOBAL COMPACT

Sustainability Advantage
Silver

21. sunrice.com.au/AR23/modern-slavery-statement (sunrice.com.au)

Our priorities, ambitions & targets

Our priorities align to our material topics and provide focus and a destination

Water productivity

Supporting the industry towards the most water efficient rice paddies globally

FY2024

Continue Australian rice industry extension, with the majority of grower extension activities focused on water productivity

Australian Rice Emissions Reduction pilot

Continue supporting Rice Breeding Australia to develop rice varieties that increase water productivity and decrease GHG emissions

LONG TERM

Support the broader Australian rice industry's aspirational target of **1.5 tonnes per megalitre** for Australian rice by the end of **2027**

Climate resilience

Net zero emissions across our value chain by 2050

Partner with growers to create a step change in reducing emissions

Adopt TCFD recommendations

FY2024

Achieve **2%** annual improvement in energy efficiency as a rolling average

Australian Rice Emissions Reduction pilot

Develop our Net Zero Roadmap and submit our SBT for validation to the SBTi

LONG TERM

By 2030, Scope 1 and 2, and non-FLAG Scope 3:[22]

- **25%** reduction in emissions
- **100%** renewable electricity[23]

Net zero by 2050

Implement Taskforce on Climate related Financial Disclosures (**TCFD**) **recommendations**

Waste reduction

Toward zero waste from our products and packaging

FY2024

Continue towards 2025 Australian Packaging Covenant Organisation (APCO) Targets

50% reduction in operational waste to landfill by the **end of FY2024**, against the Group's FY2022 baseline

100% of all Australian and New Zealand products displaying the Australasian Recycling Label (ARL) by the end of FY2024, including working towards implementing future guidance from APCO regarding the recycling of soft plastics

LONG TERM

Meet Australian Packaging Covenant Organisation (APCO) targets by the end of **2025**:

- **0%** single use[24]
- **100%** reusable, recyclable or compostable
- **50%** recycled content

22. Aligned with setting a SBT, we are revising our targets to align with the FLAG and non-FLAG requirements of the SBTi. These targets will be disclosed once our target is validated by the SBTi.
23. Previous target stated 100% renewable energy. This has been updated to reflect our commitment to renewable electricity, and acknowledges the role of gas in the near-term whilst we develop our 2050 roadmap. Further information on the global energy mix can be founds here: sunrice.com.au/AR23/iea-net-zero-by-2050 (iea.org.au)
24. APCO target: the phase out of problematic and unnecessary single-use plastics packaging. APCO Targets are available here: sunrice.com.au/AR23/apco-national-packaging-targets (apco.org.au)

Resilient communities

Our communities consider SunRice a vital part of their ecosystem

FY2024

Implement new Community Engagement Strategy to deliver long term target

Test and implement socio-economic impact assessment methodology, providing a framework to track performance

During FY2022–FY2024, donate **600,000** meals to a broad range of community organisations where we operate

LONG TERM

2,000 hours volunteered by employees

Contribute to the resilience of the communities where we operate in a measurable way

Respecting human rights

Equity and equality across our operations and supply chain

FY2024

Continue to implement the supplier Mutual Recognition Program making it easier for suppliers to comply with our Supplier Sustainability Program

100% of SunRice owned sites with refreshed social and ethical audits by the end of **FY2024**

LONG TERM

Continue to implement Supplier Sustainability Program

Food security & quality

Secure, nourishing and quality products

LONG TERM

Continuous improvement in Australian Pure Seed Program

Maintain SunRice manufacturing site certification to Global Food Safety Initiative (GFSI) recognised standard

Continue to invest in efficiency of rice breeding and extension programs to improve on farm productivity (yield/ha), quality and genetic purity

Leverage our global sourcing expertise to deliver quality and affordable products to local communities

Water productivity

Access to water is a critical component of growing rice and with rice considered to be a staple food for more than 3.5 billion people globally, water is also crucial to food security.[25] The access to and cost of water are key risks to rice production and can lead to volatility in the supply of rice. In Australia, the cost of rice production has increased, particularly due to rising input costs, including the cost of irrigation water. This has prompted growers to implement on-farm water efficiency measures including laser grading, recycled water systems and transitioning to either conventional drill sowing or drill sowing with delayed permanent water. In Vietnam, access to quality water is a concern with climate change increasing the salinity of water and rising sea levels restricting the number of areas in Vietnam where rice can be grown, thereby affecting rice yields.[26]

Water is an important requirement for growing rice. It enables thermal regulation of the panicle during key periods, which directly impacts the plant's yield. Rice research is therefore centred on improving thermal tolerance levels. Water also acts as a non-toxic weed killer, by drowning weeds, thereby reducing reliance on herbicides.

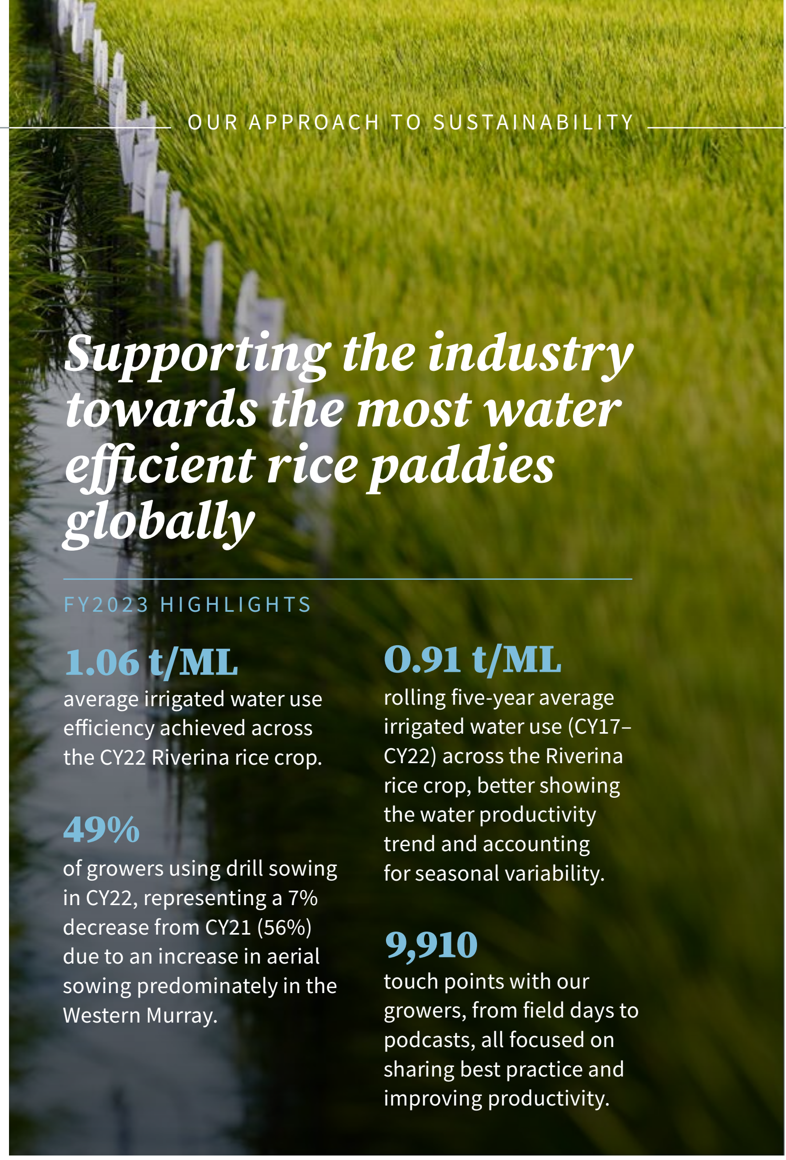
Rice growers in Australia must be licenced water users and this licence governs their access to water through water entitlements and the associated water allocations. During high rainfall seasons, greater allocations of water are assigned to the category of licences held by rice growers and, in contrast, less and sometimes no water is allocated during low rainfall seasons and drought. In practice, this means that less rice is grown in Australia during drought and more rice is grown during wet years.

The period of October 2021 to May 2022, CY2022, was wetter than previous years and saw a 6% higher-than-average yield across all regions and varieties. This also contributed to improvements in average irrigated water use efficiency to 1.06 tonnes of rice paddy per megalitre (t/ML) (from 0.73 t/ML in CY2021) for the Riverina crop – an improvement of 45%. We also saw a decrease in the volume of drill sown rice for the Riverina crop from 56% in CY2021 to 49% in CY2022. This decrease was predominantly associated with an increase in rice being planted in the Western Murray region where, generally, the aerial sowing method is more commonly used. Drill sown rice, planted directly into the soil, has been shown to use less water than aerial-sowing or dry broadcasting due to a shorter period of flood during the growing season. Whilst research from AgriFutures[27] has indicated that changing from aerial to conventional drill sowing is conservatively estimated to result in a water productivity increase of 0.1 t/ML, there are conditions where aerial sowing remains the preferred method. For example, when wet conditions prohibit heavy machinery from traversing the ground, or when farm layouts do not support fast and even drainage to support the establishment period for drill sown.[28]

Supporting the Australian rice industry to be more water productive

The Australian rice industry has set an aspirational target to achieve an average of 1.5 t/ML of irrigated water[29] for Australian rice by the end of 2027, supported by an industry roadmap[22]. Between 2012 and 2020, the industry's average irrigated water use productivity rate across all Australian rice growing regions was 0.85 t/ML. In CY2022 the improvement in water efficiency for the Riverina crop led to productivity improvements in the rolling five-year average water use (CY17–CY22) across all varieties, resulting in an average of 0.91 t/ML of irrigated water across the region. In CY22 we also saw some growers exceed the aspirational target of 1.5 t/ML for the first time, with the top return of 1.65 t/ML for a drill sown Reiziq crop; an improvement of 17% against last year's top return of 1.41 t/ML. Whilst the industry average is still below the aspirational target of 1.5 t/ML, these improvements in water efficiency are significant and highlight grower and industry commitment to water productivity.

In FY2023, SunRice's Grower Extension team continued to work alongside growers to improve their water efficiency, including hosting training events with a reach of 564 participants, specific to water management and improved drill sowing practices. Longer-term rice breeding programs also continued with an aim to increase yields whilst shortening the growing season to improve productivity and decrease the volume of irrigated water required for the crop. We will continue to report on progress towards the commitments made within the AgriFutures Rice Program Strategic RD&E Plan as we move towards the 2027 aspirational target.



Supporting the industry towards the most water efficient rice paddies globally

FY2023 HIGHLIGHTS

1.06 t/ML
average irrigated water use efficiency achieved across the CY22 Riverina rice crop.

49%
of growers using drill sowing in CY22, representing a 7% decrease from CY21 (56%) due to an increase in aerial sowing predominately in the Western Murray.

0.91 t/ML
rolling five-year average irrigated water use (CY17–CY22) across the Riverina rice crop, better showing the water productivity trend and accounting for seasonal variability.

9,910
touch points with our growers, from field days to podcasts, all focused on sharing best practice and improving productivity.

25. sunrice.com.au/AR23/food-staple (nationalgeographic.org)
26. sunrice.com.au/AR23/vietnam-weighs-rice-contributor-and-victim-of-climate-crisis (aljazeera.com)
27. sunrice.com.au/AR23/final-report-summary (agrifutures.com.au)
28. sunrice.com.au/AR23/management-of-drill-sown-rice (dpi.nsw.gov.au, 2013)
29. sunrice.com.au/AR23/agrifutures-rice-program-strategic-rd&e-plan-2021-2026 (agrifutures.com.au)

Climate resilience

Rice is a staple and essential food for the world's fastest growing populations. Ensuring that we have climate-resilient rice crops that maximise the efficiency of our natural resources and can withstand the impacts of climate change, such as drought and increased temperatures negatively impacting on soil health,[30] is important for long-term sustainability. We also have a responsibility to lower the methane emissions that are released through the rice growing process.

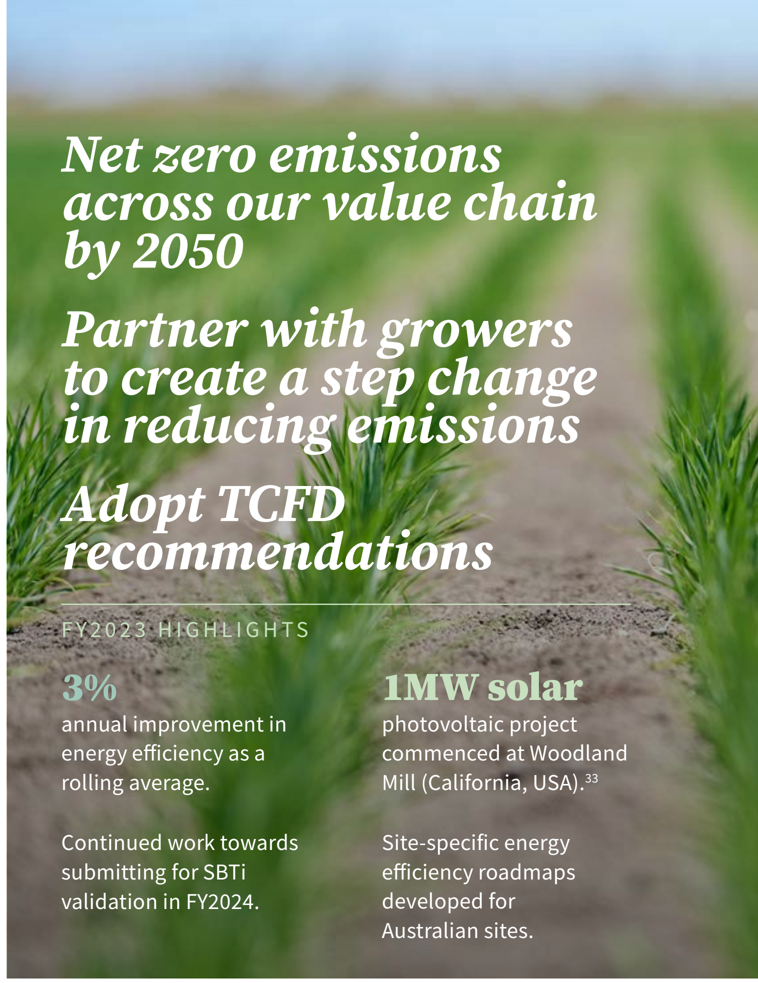
That is why we have programs to manage our climate risk and build climate resilience. This includes our Australian Rice Emissions Reduction pilot, working towards having our Science Based Target (SBT) validated and accelerating our investment in breeding research and development to support climate friendly rice varieties and practices. We are also continuing to diversify our geographic footprint, including investing in rice growing in PNG, South America and Vietnam, enabling us to manage the variabilities of global rice supply more effectively.

Reducing rice's greenhouse gas emissions

Rice cultivation is a contributor of global annual greenhouse gas emissions (GHG)[31] as methane emissions are produced by the decay of organic material when the paddies are flooded.[32] This more traditional method of growing rice is known as 'permanent flooding' or anaerobic rice growing. The alternative is to adopt aerobic growing systems, such as direct drill sowing (with a tractor) and delayed permanent water over aerial sowing with full flood, which is shown to reduce methane emissions. In Southeast Asia Alternate Wetting and Drying (AWD) techniques are used with similar affect. To date, there has been extensive research validating the methane reduction achieved through AWD, however the research validating the amount of GHG emissions associated with rice cultivation in Australia is limited.

To assist with understanding the emissions in rice, in FY2022 we committed to implementing a pilot program to measure our 'on farm' GHGs and explore similar programs for our overseas rice growing areas. This pilot, which is a partnership between our research centre, RRAPL, and Food Agility, will undertake manual sampling of irrigation methods to determine the methane and nitrous oxide emissions associated with the various sowing techniques. This gas flux data will provide us with a baseline for the GHG emissions associated with aerobic versus anaerobic growing methods. Unfortunately, the floods in the Riverina in November 2022 restricted our ability to measure 'on farm' GHGs and gain a greater understanding of the factors that could contribute to low-methane rice. The aim is to collect the data during the sowing season in 2023 thereby informing us of practice changes that will assist us in meeting our net zero by 2050 goal. We are also planning to confirm a similar pilot for Vietnam in FY2024.

Nonetheless, over the past twelve months we have continued to work with growers to reduce on-farm GHG emissions. In 2022 we developed a prototype using satellite data imagery through our partnership with OpenSC to capture farm sowing practices in Australia, which will assist us in understanding Scope 3 emissions for our SBT. Through our Grower Extension Services we also provided 17 education sessions on drill sowing.



Net zero emissions across our value chain by 2050

Partner with growers to create a step change in reducing emissions

Adopt TCFD recommendations

FY2023 HIGHLIGHTS

3%
annual improvement in energy efficiency as a rolling average.

Continued work towards submitting for SBTi validation in FY2024.

1MW solar
photovoltaic project commenced at Woodland Mill (California, USA).[33]

Site-specific energy efficiency roadmaps developed for Australian sites.

Continuing work towards development of SBTi validated science-based targets

In FY2022 we committed to setting a SBT aligned with the Paris Agreement goal of limiting global temperature rise to 1.5 degrees Celsius. In FY2023 we progressed towards submitting our target for validation including aligning with the new Forest, Land and Agriculture (FLAG) emissions industry guidance which was released in September 2022.

During FY2023 we have been working towards establishing and quantifying our FLAG and non-FLAG near and long-term targets. This included gathering and reviewing data, determining appropriate interventions to reduce our carbon footprint and identifying the opportunities to reduce our emissions, in preparation for the development of a roadmap to meet our scope 1, 2 and 3 near-term reduction targets by 2030. We have also committed to going beyond the global rice emissions factor in setting our target, which only includes methane emissions, by including stubble management, fertiliser usage, on-farm fuel usage and nitrous oxide. We are using the data that is currently available to us and will improve this data over time.

Our current focus areas for emissions reductions in the near term are:

- Rice-related FLAG emissions;
- Improving energy usage in our own operations, including investigating options for renewable power for the Group's Australian business, particularly our mills; and
- Non-rice FLAG emissions, packaging and transport, through collaboration with our supply chain partners.

Detailed roadmaps for these will be developed in FY2024.

30. sunrice.com.au/AR23/climate-change-arsenic-damage-rice-paddy-yield (weforum.org)
31. sunrice.com.au/AR23/how-rice-is-hurting-the-planet (weforum.org)
32. sunrice.com.au/AR23/quarterly-update-au-greenhouse-gas-march-2022 (dcceew.gov.au, p32)
33. Project approval received for installation in FY2024.

Waste reduction

FY2023 was challenging for packaging recyclability in Australia following the collapse of the REDcycle initiative in November 2022 which removed the ability for consumers to return soft plastics to the major supermarkets for recycling. Whilst this has made it challenging for SunRice, and the sector, to meet the Australia Packaging Covenant Organisation's (APCO) targets, we have committed to working with the industry to support a solution to improve soft plastics packaging recyclability.

We remain committed to delivering on our circular economy[34] framework and acknowledge that without viable solutions for the recycling of soft plastics achieving circularity will be a challenge. Our approach to circularity includes using as much of the rice grain as feasible to provide value-add to our rice paddies, minimising agricultural-related waste and engaging with packaging suppliers to identify ways to move closer to circularity. For example, the bran from the rice paddies is used by our CopRice business for petfood and broken grains are re-purposed for flour. We also sold or donated 4,700+ tonnes of by-products, including to farmers for livestock feed and re-purposed nearly 17,000 additional tonnes of hulls.

Supporting solutions for soft plastics recycling

This year, SunRice joined the National Plastics Recycling Scheme (NPRS)[35] as a Foundation Supporter. The project, developed by the Australian Food and Grocery Council (AFGC) with support from the Federal Government, aims to design Australia's largest industry-led plastics recycling scheme, and remove hard-to-recycle soft plastic packaging from the waste stream and recycle it into new, food-grade material. As a Foundation Supporter of the program, we are working with the FMCG industry to help Australia meet its National Packaging Targets. The NPRS has so far undertaken pilots for kerbside recycling in select council areas in Victoria, New South Wales and South Australia[36] with further pilots planned.

The SunRice Group will continue to work towards transitioning to monoplastics[37] – the use of one polymer rather than a mixed laminate – including, where available, adopting solutions for the packaging of SunRice branded products to be monoplastics by the end of 2025. Monoplastics can be more easily recycled through chemical processing and can therefore be more readily recycled back into food-grade plastic. All CopRice cat and dog food packaging is already monoplastic. In the short-term, soft plastic remains the most fit-for-purpose packaging solution for many of the Group's products.

The Group is also working with APCO on a QR code for our consumer products that advises consumers on the Australian Recycling Label's (ARL) guidance on how to dispose of the packaging. We are the only consumer brand involved in the pilot.

Solomon Islands innovative recycling program

Creativity is key for recycling waste in the Solomon Islands, where waste and recycling infrastructure is limited. Our 20kg SolRice branded bags are upcycled by the community for firewood collection, container nets are repurposed as fishing nets or hammocks and the shipping container cardboard liners are used by teachers as an alternative to white boards.

Toward zero waste from our products and packaging

FY2023 HIGHLIGHTS

Became National Plastics Recycling Scheme (NPRS) Project Foundation Supporters.

Continued towards 2025 Australian Packaging Covenant Organisation (APCO) Targets for Australian packaging, including (as at December 2022):[38]

- **98.6%** reusable, recyclable or compostable (by weight)
- **15%** recycled content (approximately, by weight)
- **3%** of products include a litter component

11%[39]
reduction in operational waste to landfill from FY2022 baseline.

50%
of all Australian and New Zealand products display the Australasian Recycling Label (ARL), an increase from 36% last year, but below our 90% target due to the large number of product lines required to transition.[40]

Improving our packaging

Over the past five years, we have reviewed 98.9% of our products against the Sustainable Packaging Guidelines,[41] resulting in improvements in our packaging where possible. This year:

- Bare Bakers trays were updated from carbon black to clear so that they are now recyclable;
- Riviana enabled our Oyster Sauce bottle to be curbside recyclable by reducing the container size and swapping from polypropolene (PP) to polyethylene terephthalate (PET);
- SunRice's brown rice chip packets decreased by 19.35% in material thickness; and
- Through the installation of tanks and other solutions, we have improved the transport efficiency of CopRice's bulk packaged ingredients, such as replacing 5,417 bags of nutritional ingredients per year with a reusable bulk packaging solution.

34. sunrice.com.au/AR23/circular-diagram (sunrice.com.au)
35. sunrice.com.au/AR23/national-plastics-recycling-scheme (afgc.org.au)
36. sunrice.com.au/AR23/national-plastics-recycling-scheme-useful-links (afgc.org.au)
37. sunrice.com.au/AR23/recyclable-by-design (sciencedirect.com)
38. SunRice Group's reported figures for its 2022 APCO Report are for the period 1 January to 31 December 2022. These figures do not account for the full impact of the REDcycle collapse, which occurred in November 2022. As such, we anticipate that, in FY2024, there will be a decrease in our figures against the targets while a soft plastics recycling solution is being developed.
39. 11% reduction based on waste to landfill intensity per tonne of Finished Product. 4% absolute reduction in waste to landfill.
40. The Group expects that the number of products with an ARL to decrease in FY2024 due to the removal of the logos following the collapse of REDcycle.
41. sunrice.com.au/AR23/apco-sustainable-packaging-guidelines (apco.org.au)

Resilient communities

The origin of the SunRice Group in regional NSW remains a core part of the rice supply chain, however we also warehouse, produce and process rice products in PNG, the Solomon Islands, Vietnam, the U.S. and New Zealand. In many of these countries and markets we have a long-standing business employing locals and creating value for stakeholders across the supply chain. We contribute to community programs through strategic charitable partnerships and through employee-connected local organisations including through donations, volunteering, and disaster relief.

Social impact assessment

In FY2022, we committed to developing a socio-economic impact assessment methodology to enable us to measure our social impact in a more reliable and quantifiable way. Social Ventures Australia (SVA) were engaged in FY2023 to support us in articulating our Theory of Change to understand:

- What a particular community activity does;
- How it leads to desired goals being achieved; and
- What the short, medium, and long-term societal benefits are for the activity.

We will continue to develop and test a framework for measuring the value of these outcomes against our six sustainability pillars, and report on our framework in FY2024.

Trukai's Smart Farmer Program

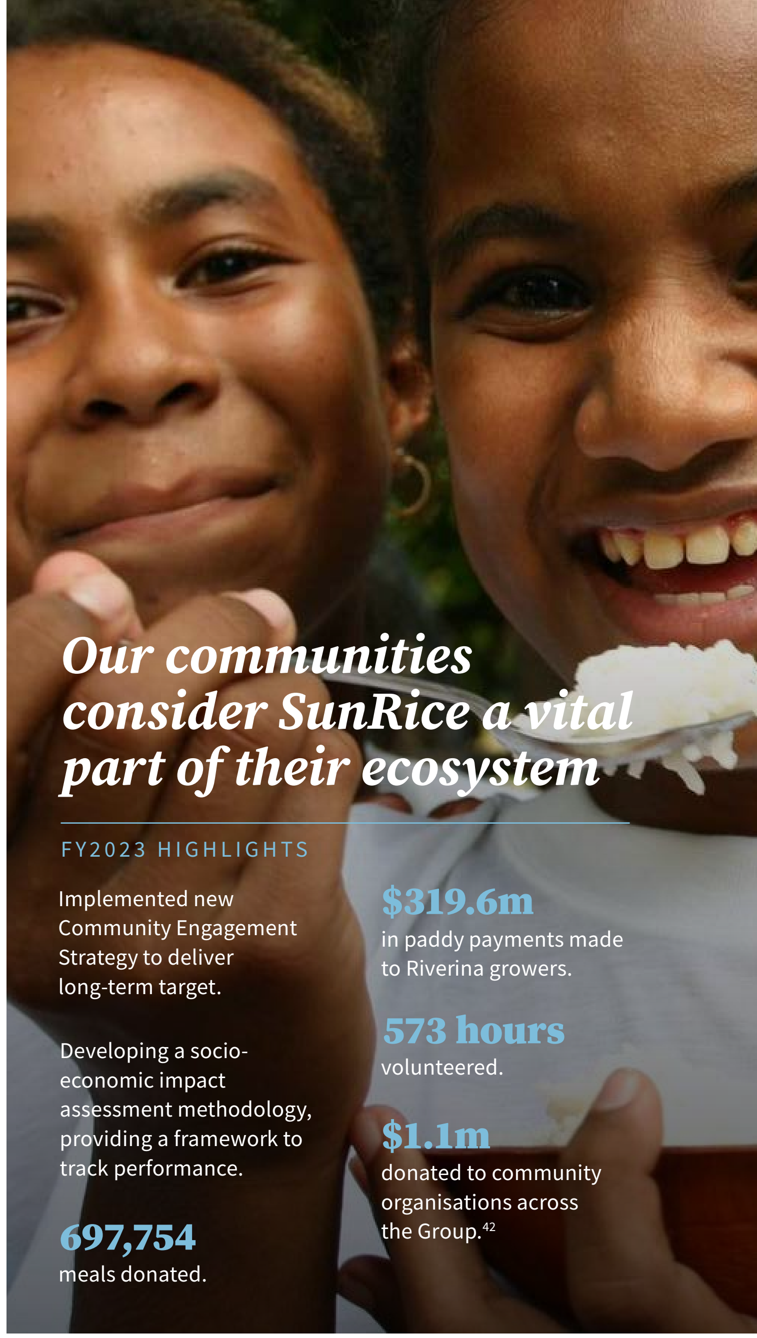
Trukai Industries' Smart Farmer Program is a two-week certificate course conducted in partnership with the PNG University of Technology at their Taraka Campus in Lae. The five-year partnership provides local rice farmers with access to classrooms, Trukai's seed research, intellectual property, laboratories and farm or field facilities for farmer training, as well as undergraduate and postgraduate student training, research and development and extension activities. The partnership also assists in the Group's preparedness to support a commercial rice-growing industry in PNG.

In FY2023, 100 of the 400 participants started both practical and theoretical aspects of the program, which is aimed at enabling them to become smallholder growers and transition into commercial operations over time. The remaining 300 participants will complete the program in FY2024. In support of the program, the Group and the PNG University of Technology donated eight hectares of land in Lae as a training farm for the program for the construction of two dome sheds, two silos, a rice-drying facility, mini-seed cooling room and office space.

Additionally, farmers from the Morobe province of PNG were provided with Village Sustainability Kits. The kits cater for over thirty farmers by providing them with a solar rice mill kit, power tiller, manual seeders, knapsacks, sickles and rice seedlings to assist local growers with developing subsistence and semi-commercial farming. Trukai has supported 200 farmers since the inception of the Village Sustainability Kits.

CopRice flood relief

With many team and community members affected by the NSW and Victorian floods in late 2022, CopRice supported affected communities in Shepparton, Eugowra and Forbes by donating a pallet containing dog and cat food and litter to each.



Our communities consider SunRice a vital part of their ecosystem

FY2023 HIGHLIGHTS

Implemented new Community Engagement Strategy to deliver long-term target.

Developing a socio-economic impact assessment methodology, providing a framework to track performance.

697,754
meals donated.

$319.6m
in paddy payments made to Riverina growers.

573 hours
volunteered.

$1.1m
donated to community organisations across the Group.[42]

Solomon Islands Read SI Literacy Program

Read SI is a free literacy program for children in the Solomon Islands, particularly those living in poverty conditions. The program partners with local businesses to transport the children to school, build infrastructure, cover teacher's wages and provide learning materials. SunRice is proud to support Read SI through the donation of rice which provides the approximately 150 students with a meal each day, and in some cases, their only one.

Sunfoods supporting local communities

The SunFoods team volunteered at the Annual Senior Centre Holiday Brunch, providing an opportunity for the team to get to know some of the members of their local community during the Christmas period. The team also showcased the spirit of Thanksgiving by providing support to the local Sacramento community including by donating 400 bags of Calrose rice to the Stockton Boulevard Partnership which helped feed over 550 families in need, and joined local Fun Runs to raise funds for the Sacramento Food Bank & Family Services.

42. Total monetary value of cash and in-kind/product donations during FY2023.

Respecting human rights

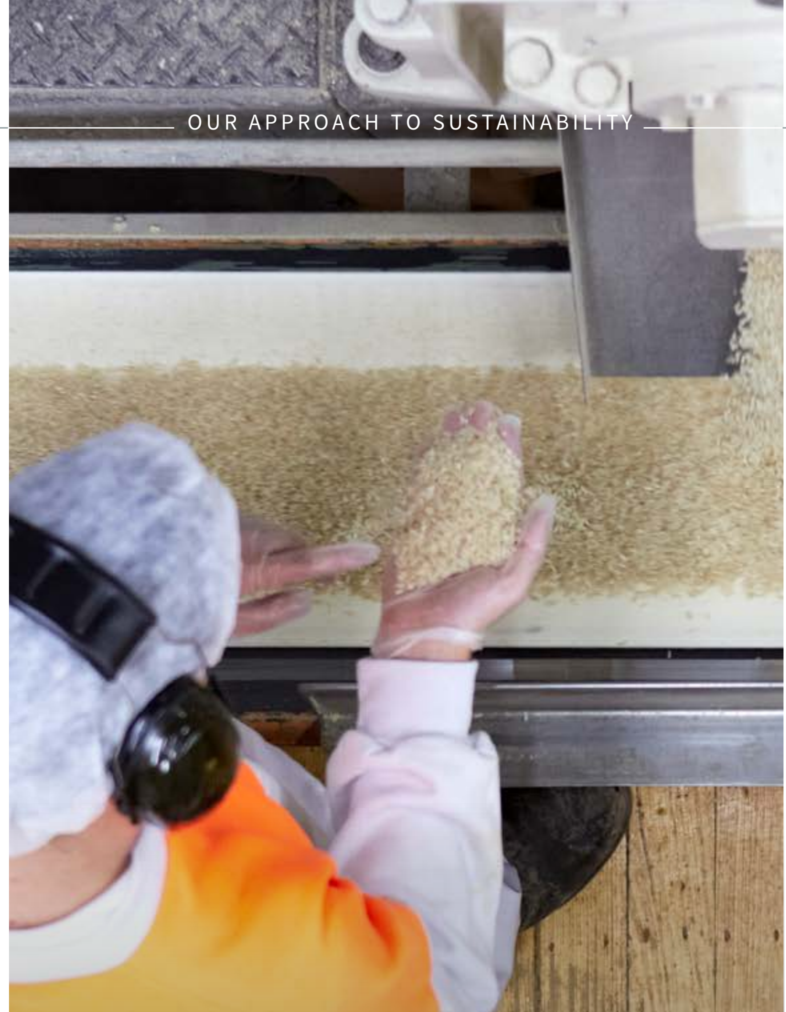
The SunRice Group understands its responsibility to respect human rights as outlined in the United Nations (UN) Guiding Principles on Business and Human Rights (UNGPs), which includes our responsibility to avoid causing or contributing to adverse human rights impacts and seeking to prevent or mitigate impacts that are directly, or indirectly, linked to our operations, products or services. We acknowledge that we still have improvements to make and that respecting human rights is an ongoing process. During FY2024, we will continue to strengthen our ethical sourcing program and look at ways to better integrate human rights due diligence processes across our businesses.

Solar due diligence

The SunRice Group conducts due diligence on our supply chain in accordance with our Supplier Sustainability Program.[43] In FY2023, a 1 MW solar photovoltaic project was commissioned at our Woodlands Mill, California. The solar industry has a heightened risk of human rights abuses in its supply chain through issues such as child labour in mineral extraction and forced labour in polysilicon manufacturing (a key component in solar panels). To lower the risks of contributing to these issues, we conducted detailed due diligence for this project to assess any indications of the panels being manufactured using forced labour. Following this process, we engaged Chico Solar to install the project using REC Solar panels which will start producing renewable energy for our California mill in FY2024.

Auditing our operations and supply chain

Third-party ethical audits are a critical component of a human rights program. This year, we completed a third-party SEDEX Members Ethical Trade Audits (SMETA) audit of our CopRice pet food manufacturing facility in Wangaratta, Victoria and at five Australian Grain Storage (AGS) sites in the Riverina. As a grain storage facility, AGS' labour peaks when the sites are cleaned in preparation for the delivery of paddy and when there is an increase in trucks delivering paddy to the sites. Therefore, it is important to ensure that worker rights, particularly labour hire employees (many of whom are migrant workers), are protected and that actions are put in place in areas that we need to improve on, for example, increasing the number of fire drills held throughout the year.



Equity and equality across our operations and supply chain

FY2023 HIGHLIGHTS

2022 Modern Slavery Statement published.

Developed supplier Mutual Recognition Program.

Completed 6 third-party SMETA (social and ethical) audits of our SunRice Group facilities, for a total of 12 sites with audits. This exceeds our target of 7 sites with refreshed audits by FY2023.

Commenced **Australian Rice Social Review** to verify that Australian rice has a low risk of modern slavery.

We also started a social review of the Australian rice industry, coinciding with rice harvest as one of the two peak periods for growers (the other being sowing). The reviews included on-farm, structured conversations with a statistically representative[44] sample of growers across the Riverina and followed questions that align to SMETA audits and to our Supplier Code of Conduct. To date, the review has confirmed that rice-growing in Australia is highly-mechanised, predominately undertaken by skilled workers and family farm owners; indicating a lower risk of human rights harm on-farm.

43. sunrice.com.au/AR23/modern-slavery-statement (sunrice.com.au)
44. The sample of growers interviewed provides the Group with an 80% confidence level, with a 10% margin of error in the results.

Food security and quality

Being able to provide quality, delicious products from around the world is important to the SunRice Group. Our global expertise and supply chain of 12 geographically diverse rice sourcing countries allows us to connect the best quality rice with communities at a price that they can afford. We call it our 'Good, Better, Best' strategy.

Planning and establishing a sustainable smallholder rice chain in the Mekong Delta

SunRice is part of a public-private partnership with the Australian Centre for International Agricultural Research (ACIAR), the University of Queensland, An Giang University, Cuu Long Rice Research Institute, Can Tho University and Vietnamese provincial government agencies. The project aims to encourage the adoption of sustainable practices with indicators measured within the Sustainable Rice Platform framework. This includes quantifying production, quality and economic advantages from agronomic interventions in relation to fertiliser, irrigation and pesticide use; the development of a Centre of Excellence in Milling and Post-Harvest Processes at the Lap Vo Mill; and a breeding program for developing a short-grain Japonica rice to achieve high yield, cold stress tolerance and meet quality requirements in international markets. The project will provide capacity building opportunities and instill quality driven goals throughout the value chain.

Secure, nourishing and quality products

FY2023 HIGHLIGHTS

100% of SunRice contract suppliers with recognised CODEX Based HACCP certification.

100% vitamin enrichment in our white rice provided to PNG and the Solomon Islands.

Maintained SunRice manufacturing site certification to GFSI recognised standard.

Continuous improvement in Australian Pure Seed Program.

Investing in product quality

In alignment with CopRice's Strategy Plan for improvements at the Leeton Pet Food Plant, a vacuum coater installation and commissioning on the Pet Food line has seen a significant advancement in product quality of our extruded Dog and Cat Food products. This technology, along with high class ingredients, has resulted in a significant boost to the palatability of our products.

> **"Partnering with ACIAR was an ideal way to improve agricultural sustainability in the Mekong and enhance economic returns for rural communities while further strengthening the reputation of Vietnamese rice in SunRice's global markets."**
>
> **Rob Gordon**
> SunRice Group CEO

Our Growers

Hanwood rice growers ***Simon, John*** *and* ***Greg Bonetti***

Adapting and responding to the climate change challenge

Australian growers have long been at the forefront of using growing practices that use less water than the global average while producing high yields.

The SunRice Group is collaborating with OpenSC and Rabobank on an initiative which aims to provide science-based verification of how Australian rice-growing practices reduce GHG emissions, to further increase the adoption of low carbon rice-growing practices and with a view to expand into other countries to increase its impact.

In FY2023 we completed a feasibility study and proof-of-concept, and the pilot will:

- Verify the link between practices which reduce water use and GHG emissions;
- Verify the GHG emissions footprint for Riverina product and quantify how various on-farm practices can reduce emissions;
- Partner with growers to understand the support required to adopt low GHG on-farm practices; and
- Work with value chain partners to assess opportunities for a 'low carbon rice' based on low GHG on-farm practices.

Supporting growers' real-time decision making

In FY2023, the SunRice Group, through its subsidiary Rice Research Australia Pty Ltd (RRAPL), has been collaborating with the University of New England, NSW DPI, Rice Extension Services and rice growers on the AgriFutures funded project to develop real-time monitoring of rice crops using remote sensing. The aim is to gather current, accurate data to effectively identify important agronomic parameters that can inform crop management and decision-making.

Led by the University of New England (UNE) this project brings together remote sensing, weather, and field observations, and applies machine learning techniques to develop models to enable field-scale predictions. The web-based dashboard, which is free for rice growers to access, can be used to provide predictive analysis which will help inform future crop management decisions. The tool can accurately predict total of hectares of rice planted and water applications for each paddock. In CY23 the tool was upgraded to include phenological prediction dates and can now provide predictive analysis dates for Pinnacle Initiation (PI) and flowering, helping growers to apply nitrogen at the optimum time to maximise yields and to mitigate any delays in harvest. The tool was widely used in the Riverina in CY23 for nitrogen application decisions. Further work on developing the tool is underway and in the next growing season it is it is expected the tool will be able to predict harvest dates, yield forecasts and benchmarking using remote sensing.

Overall, this project and the technology aim to support growers to adopt best-practice crop and water management strategies.

CY22 RIVERINA RICE HARVEST

688,000
paddy tonnes

49%
of crop drill sown

Overall CY22 Riverina yields were 107% of five-year industry averages:

Exceptional whole grain yields of
61%
(all varieties, all regions)

Average yield of
11.2 tonnes
of paddy rice per hectare (all varieties, all locations)

Top yields of
15.2 tonnes
of paddy rice per hectare achieved by our medium grain variety V071

Overall CY22 tonnes achieved per megalitre (ML) were up year-on-year, given mild and favourable conditions.

Average
1.06t/ML
(all varieties, all locations)

Top return of
1.65t/ML
(drill sown Reiziq crop)

Rolling five-year average
0.91t/ML
(all varieties, all locations)

Rice Breeding Australia to fast-track sustainability goals

In FY2023 Rice Breeding Australia Ltd was established, with Ricegrowers Limited, AgriFutures Australia and the Ricegrowers' Association of Australia as members. This company's mandate is to accelerate the breeding and commercialisation of new rice varieties and to increase water productivity in line with the industry's aspirational target of producing, on average, 1.5 tonnes of rice per megalitre of water by 2027. The outcomes are expected to enhance yields and returns to growers, while also contributing to the Group's water productivity and climate resilience goals.

45. In FY2022, the Rice Grower' Promise – a grower developed and led sustainability framework for the Riverina rice industry – was enhanced through a sustainability academy of Riverina rice growers, SunRice, the Ricegrowers' Association of Australia (RGA) and Murray Local Land Services.
46. Quantitative trait locus (QTL) is a locus (section of DNA) that correlates with variation of a quantitative trait in the phenotype of a population of organisms locus (sunrice.com.au/AR23/locus) (section of DNA (sunrice.com.au/AR23/DNA)).

Delivering on the Rice Growers' Promise

The Rice Growers' Promise Framework,[45] with its pillars of Innovation, Quality and Community, was developed by growers and captures what growers think make a difference to the sustainability of their industry – emphasising strengths, opportunities, and focus points. Information gathered from a third of Riverina rice growers is continuing to contribute to industry data, informing projects to feedback to both growers and industry research projects. A particular focus for FY2024 will be managing and addressing soil constraints and variability, nitrogen use and water use efficiency.

INNOVATION
Continuous improvement through industry led innovation and technology.

QUALITY
Proudly producing fresh and trusted quality food directly traceable from paddock to plate.

COMMUNITY
Showcasing our passion and pride to build prosperous and safe communities for our children and future generations.

This Project is supported by Murray LLS through funding from the Australian National Landcare Program

Understanding the genetics of cold tolerance

The Group, through RRAPL has partnered with the University of Queensland to develop a project funded by AgriFutures to undertake cold tolerance studies and validate the genetics of various lines for suitability for aerobic rice farming systems. The aim is to conduct pre-breeding activities to introgress cold tolerance and deep rooting (root cone angle) QTL[46] into elite Australian germplasm for high yielding, high water productivity rice for the Riverina.

The outputs from the cold tolerance pre-breeding project will be taken up by the breeding program.

Our Approach to Risk

The SunRice Group's Growth Strategy is underpinned by value creation across the business, whilst managing existing or emerging strategic and operational risks.

*Senior Brand Manager – Core Rice **Olivia Grey** and Sales Coordinator – ANZ **Ben Folcarelli***

Risk management oversight

SunRice's Board, supported in its oversight by the Finance, Risk and Audit Committee and the Safety, Health and Sustainability Committee, has overall responsibility for ensuring the Group's Risk Management Framework remains robust, relevant and is adhered to by management.

The Group CEO and Corporate Management Team have Board delegated responsibility for designing and implementing the internal control environment, systems and processes necessary to identify and manage risks, and maintain a strong culture of risk management throughout the Group.

On a quarterly basis, material risks are presented by the Group Risk Function to both the Finance, Risk and Audit Committee and the Board, or more frequently should escalation be required. The Board also receives regular updates from each business unit regarding performance, progress against strategy, key risks and proposed mitigation. Central functions such as Legal, and People and Culture, also provide regular Board reporting on health and safety and compliance related risks.

The internal audit function acts as the third line of accountability, providing independent and objective assurance on the Group's control environment, its risk management culture, and provides recommendations for continuous improvement.

For further detail refer to SunRice's Corporate Governance Statement: www.sunrice.com.au/corporate-governance.

Risk appetite

The Risk Appetite Statement establishes the parameters and pre-approved levels of risk tolerance enabling management to conduct operations and make decisions with due consideration for the potential consequences. Risk appetite is defined and reaffirmed periodically by the Board and varies based on the nature of the risk but also the financial situation and prospects of the Group.

Aligned to our values, the Group seeks to minimise its exposure to risks affecting employee, community and consumer safety, breaches of compliance obligations and any initiative that would significantly affect the Group's reputation and brand equity.

Conversely, the Group accepts an increased degree of financial and commercial risk, within predefined tolerance levels, where it delivers long-term value to current and future A and B Class Shareholders through attractive paddy prices, growth in B Class Share price and capacity of dividend distribution.

The Group Risk function monitors compliance with the Risk Appetite and provides a quarterly risk report to the Finance, Risk and Audit Committee containing 16 risk metrics covering strategic, global, reputational, financial, operational and compliance risks.

Our approach to identifying risks

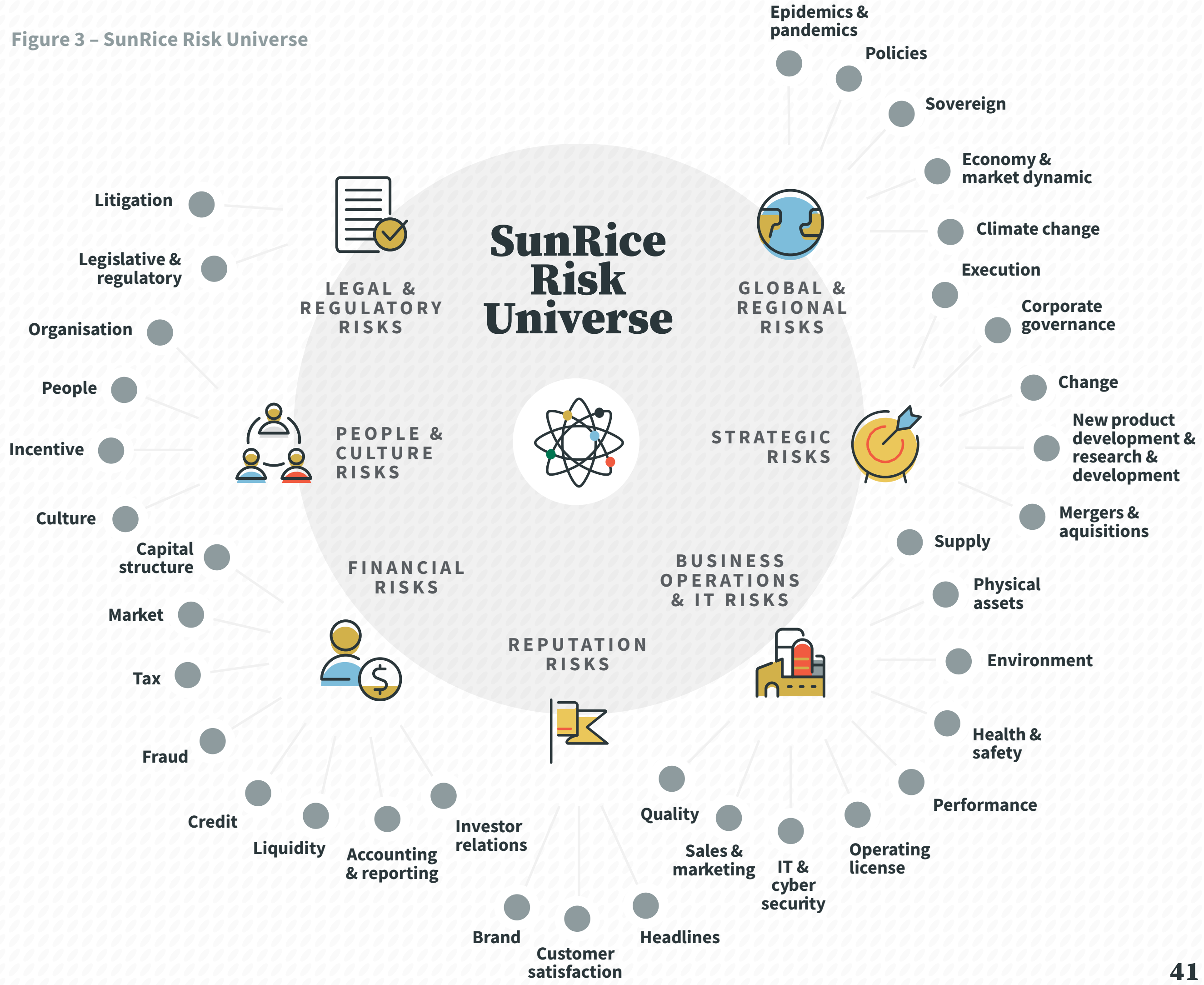
The SunRice Group has an established approach to enable the identification and assessment of risks at each level of the organisation and the effectiveness of mitigating controls in place. Each business unit and function is empowered and accountable for identifying, managing and reporting risks. They are supported by the Group Risk function, as the second line of accountability, with responsibility for establishing the framework, processes, templates, and developing the necessary tools to assess, monitor and report risks in a consistent manner under the categories outlined in Figure 3.

Processes to identify and quantify risks also include simulations and scenario planning to understand the impact of extreme situations on risk tolerance and financial covenants.

On an annual basis, and prior to the budget being approved by the Board, a detailed review of the SunRice Group's risk landscape identifies present and emerging risks most likely to shape the immediate and longer-term environment of the Group.

While COVID-19 and supply chain congestion partly impacted FY2023, new forms of global scale disruption are emerging characterised by geopolitical tensions in various locations, heightened security risks, economic slowdown and inflation. Food supply shortages may also be impacted by climate change, depletion of natural resources and biodiversity loss. While each of these risks have different time horizons to materialise, all are interrelated in that the occurrence of one could trigger several others. In this context, our diversified global supply chain, earning sources and onshoring initiatives, built over several years through the ongoing execution of the Growth Strategy, present both protection and opportunities for the Group.

Figure 3 – SunRice Risk Universe

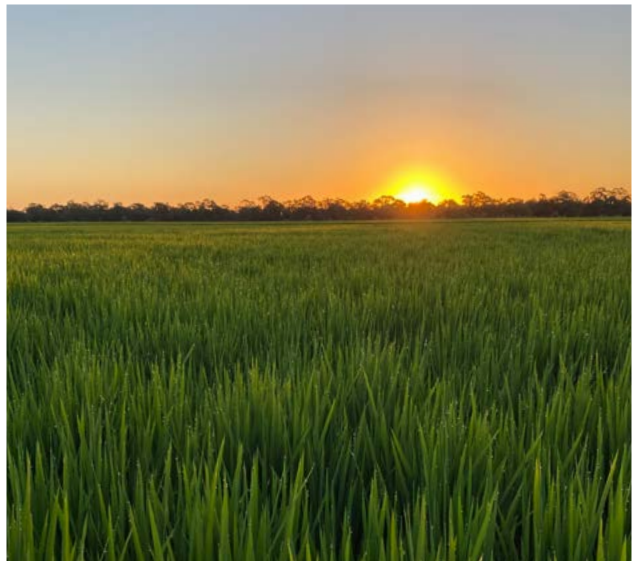


Risks are, by definition, fluid and dynamic and may eventuate differently than expected. For this reason, the list of key risks outlined below is not exhaustive. Some risks are specific to the SunRice Group while others are of a more general nature, also affecting peers and other industries:

KEY RISKS

Climate change

Physical and transition risks related to climate change, and most notably water availability, rising temperature, reduction of arable lands, severe weather events, biodiversity loss, outbreak of plant disease and government responses to such changes have and will continue to impact SunRice's landscape and influence stakeholders' expectations.



MITIGATING ACTIONS

The broad nature of this risk is primarily addressed through:

- Geographical diversification of supply sources backed by multi-year investment to build:
  - An experienced trading arm to identify and globally source rice meeting SunRice's quality expectations from multiple origins and supply markets; and
  - Understanding consumer preferences in each market supporting the development of brand tiering strategies and substitution of rice variety/origin.
- A better understanding of the full range of risks and opportunities reinforcing our resilience and relevance, following climate scenario identification in FY2022.
- Incorporating climate considerations into material investment decisions (sourcing strategies, large capital investment, acquisitions, innovation and product development).
- Investment in research and development and partnerships to breed varieties resilient to climate change and improving yield/water efficiency.
- Progress towards our commitment to reduce greenhouse gas emissions, improve the use of recycled, reusable and compostable packaging, and waste reduction.
- Continuous adoption of global frameworks and standards (TCFD, International Sustainability Standards Board (ISSB) sustainability standards) to better inform stakeholders of SunRice's risks and opportunities.
- Process in place with oversight of the Safety, Health and Sustainability Committee, Disclosure Committee and Board on all public statements and commitment in relation to our Climate ambitions and performance.

Supply levels of rice from the Riverina, water availability, water affordability and competing crops

The supply levels of Australian grown rice to fully utilise our asset footprint in the Riverina and service customers is materially influenced by water policies and their application, erratic weather patterns reducing natural availability in dams and the irrigation network, water affordability for growers and the financial attractiveness of competing crops.

A single year of small Riverina crop may result in a loss-making position for the Australian Rice Pool Business that is required to be absorbed by the Profit Businesses. Multiple consecutive years of small Riverina crops may also include the recognition of material non-recurring charges, such as restructuring and asset impairments, affecting the Group's business model and strategy.

This risk is managed through various streams of work including:

- Commitment to support the rice industry in the Riverina by continuously providing our growers with attractive naturally determined prices for rice against other summer crops.
- In years where water availability is particularly limited, offering fixed price contracts commensurate with the price of water, to ensure our operating footprint remains utilised.
- Carry-over stock management to maintain our workforce and manufacturing footprint in their optimum utilisation configuration.
- Engagement with state and federal government authorities to improve general security water allocation for agricultural purpose in the Riverina and contribute to building a level of self-sufficiency for rice in Australia.
- Investment in research and development to breed varieties offering improved water efficiency and yield translating into farmgate profitability for growers.

OUR APPROACH TO RISK

KEY RISKS

Quality and food safety

Inherent risk of manufacturing or supplying products of inferior quality that may result in causing harm to consumers and reputational damage to SunRice brands.

MITIGATING ACTIONS

The integrity and quality of our products is supported by robust processes and systems including:

- Food safety and quality management systems based on risk assessment, including monitoring testing and inspections at each key stage of manufacture in line with our food defence protocol.
- External certifications based on HACCP Principles.
- Food Safety and Quality assessment of our suppliers.
- Contract management and supplier management processes to maintain product within contractual specifications.
- Business continuity plans periodically reviewed and tested in the event of any product withdrawal or recall.
- Management and monitoring of customer and consumer feedback and complaints.
- In-house technical capabilities in chemical, physical and microbiological analysis in addition to an established network of accredited specialist laboratories.
- Strategic relationships with a range of third-party inspection and testing providers regionally and globally.

Strategic partnerships and reliance on key suppliers/customers

The ability to engage in durable and strategic relationships with key suppliers and distributors is essential to effectively manage our financial performance and market share in key markets.

This risk is more prominent when SunRice does not have access to Australian rice and is required to compete with other players internationally to secure high quality rice.

This risk is mitigated by constant interactions with our key suppliers and customers and more specifically through:

- SunRice's supplier relationship management process.
- Ongoing review of service level agreements and other contractual obligations.
- Establishing long-term contracts and strong partnering relationships to deliver mutual benefits.
- Identification of alternative suppliers / customers to diversify concentration risks.
- Rigorous due diligence to mitigate risks of continuity of supply, unethical business practices and protection of intellectual property.
- Multi-origin sourcing strategy.
- A supplier assurance program to monitor the adoption of ethical business and employment practices by our suppliers.

KEY RISKS

MITIGATING ACTIONS

Geopolitical instability and/or deterioration of general economic conditions in key markets

Geopolitical instability and general economic conditions can directly or indirectly affect global markets SunRice sources from or sells to.

Without being an exhaustive list, those risks could manifest into increased commodity, input and supply chain costs, foreign exchange fluctuations, decrease in consumer purchasing power, change in global stockpiles, introduction of tariffs, export bans and other trade barriers, and an increased intensity of competition.

This may result in loss of market, revenue, margins or even loss of opportunities impacting growth.

The Group is continuously managing this risk to preserve margins and deliver on our Growth Strategy through:

- Investment to maintain and grow brand equity to differentiate from competition.
- Development of brand tiering strategies to meet customer demand and affordability.
- Monitoring of market conditions, competitor products, key drivers and continuous intelligence gathering to allow the SunRice Group to take positions in market to drive favourable outcomes.
- Investment in Intellectual Property, Brands and Trademark defence and protection.
- Risk mitigation strategies to identify and secure volumes of rice at fixed prices.
- Geographical diversification of our supplier portfolio.
- Currency hedging strategies to reduce impact of volatility.
- A Capital Management Framework to manage balance sheet strength and liquidity headroom.

Adaptability and resilience to Information Technology changes

Advances in digital transformation, with the development of artificial intelligence, and changes to working practices, favouring remote working, contribute to better productivity but also bring more opportunities and sophistication of cyber threats.

This could expose the Group to various vulnerabilities, including cyber-attacks, data leakage, service interruption and other disruptions to the business resulting in reputational damage, and actual or opportunity losses.

To mitigate such risks, the Group constantly invests to:

- Build resilient information technology architecture.
- Work with reputable partners to develop solutions, host infrastructure / software and to ensure our applications and servers are up to date.
- Regularly train employees at all levels of the organisation in relation to data privacy rules and cyber-threats.
- Frequently test systems' resilience to external attacks.
- Regularly develop and update Disaster Recovery and Business Continuity Plans.
- Implement the Australian Cyber Security Centre recommendations to reach defined maturity levels of resilience.

Inability to deliver on strategic objectives or with undue delays

Several internal and external risks could impact the execution of our strategy.

The Group monitors and reports on its progress against strategy to the Board on a regular basis. In addition, this risk is mitigated via:

- Internally cascading the SunRice Group Growth Strategy, with each business unit establishing plans and mobilising resources to deliver on our strategic objectives.
- Establishment of steering committees to oversee performance and provide guidance on execution.
- Ongoing investment in business intelligence and market insights to validate and adjust strategic orientations.
- Employee incentive schemes incorporating value creation and strategic growth targets.
- Investment in consumer insights and other resources to understand major trends and consumer preferences to inform strategy and new product developments.

*SunRice Group Field Extension/ Agronomy Officer **Mark Groat***

KEY RISKS

MITIGATING ACTIONS

Difficulties in attracting and retaining talent

High turnover and the resulting loss of knowledge, together with attracting employees in a challenging labour market where critical and/or specialised skills are scarce, are factors that pose a risk to the delivery of the Group's strategy.

We mitigate this risk across the Group by:

- Rolling out our refreshed purpose, vision, mission, values and behaviours for improved clarity on what we value and aspire to be as we strive to achieve our mission and vision.
- Creating a pipeline of opportunities and succession planning to develop future leaders.
- Enhancing our attractive and motivating employee value proposition of "Make a Difference" to enable our leaders to build deeper connections.
- Working with the People and Remuneration Committee to ensure SunRice has an effective retention strategy and appropriate employee incentive plans.

Dual class share structure, limited voting rights and B Class Shareholding Limit

SunRice's dual class share structure, the limited voting rights attached to B Class Shares, and the B Class Shareholding Limit of 10% distinguish us from other ASX listed companies.

The holders of non-listed A Class Shares have control over the Company. As minimum delivery requirements over a defined period must be met by Growers to classify as A Class Shareholders, there is a risk of concentration of control between a smaller number of A Class Shareholders, for example during periods of drought when less growers elect to grow rice.

These non-standard elements may make B Class Shares less attractive to investors which in turn may negatively affect SunRice's share price or ability to raise capital in the future.

While SunRice has an unusual capital structure, the risk of not being able to raise capital is, to an extent, shared with any other listed company. We manage this risk by:

- Maintaining a sound and healthy balance sheet.
- A comprehensive Capital Management framework to reward shareholders and ensure sufficient financing facilities are available to pursue accretive merger and acquisition activities, even if they were to be funded largely or exclusively by debt.
- Keeping the market informed with timely and transparent disclosures.
- Proven ability to successfully manage the interests of both A and B Class Shareholders, including during times of adversity.
- Appropriate mechanisms in our Constitution which enable the Board to exercise a level of discretion in issuing and redeeming A Class Shares, with the criteria attached to A Class Shares reviewed from time-to-time.

Corporate Governance

The SunRice Board is committed to ensuring the Group's corporate governance frameworks, policies and practices are of the highest standard. This commitment is delivered through continuous improvement and ensuring the Board has a sound understanding of current governance requirements and practices, as well as keeping abreast of emerging trends and changing stakeholder expectations.

This section outlines selected components of SunRice's corporate governance framework, highlighting the key governance matters and areas of focus in the FY2023 reporting period.

Throughout the period, SunRice's corporate governance approach was consistent with the ASX Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council (ASX Recommendations). Consistent with prior years, the Board does not consider that all of the ASX Recommendations are appropriate for the company given the related provisions in our Constitution regarding Board composition and shareholding requirements. However, where SunRice has not followed an ASX Recommendation, this has been identified in the Corporate Governance Statement, together with the reasons why it has not been followed.

The Company's Corporate Governance Statement, which is current as at 30 April 2023 and approved by the Board, can be found (along with key policies and practices and the charters for the Board and its current Board Committees) at www.sunrice.com.au/corporate-governance.

Board composition, skills and areas of focus

The Board regularly reviews its performance. One of the strongest recommendations of the Board review held in 2019 was to reduce the number of Board Directors, from eleven to nine. This reduction would ultimately result in the Board being comprised of five Grower Directors, three Non-Grower (Independent) Directors, and one executive Director (the Chief Executive Officer). The Board considered that the reduction would be best implemented through a staged approach, commencing with a special resolution being passed at the 2020 Annual General Meeting (AGM) to amend the Constitution to facilitate a reduction in the number of Board positions by one. To move to this composition, two (rather than three) Rice Marketing Board of NSW (RMB) Directors were appointed to the SunRice Board in 2022 following a General Meeting. To effect the further reduction in Board size from ten Directors to nine Directors, a further change to the Constitution was approved by A Class Shareholders at the 2021 AGM. This means that after the 2023 AGM, the number of SunRice Grower Directors will reduce by one (from four to three).

During FY2023 the Board implemented a number of recommendations arising out of the Board Skills and Composition Review which was conducted by an independent provider in FY2022. A key recommendation was for the Board to appoint a Deputy Chair, in light of the unique share structure of SunRice and the need to engage with a range of stakeholders including growers and investors. Accordingly, Mr John Bradford was appointed to the role of Deputy Chair during the reporting period.

The Board also considered the composition of its Committees during the reporting period and determined, in light of the Grower Director elections scheduled for FY2024, to retain the existing memberships (and Chairs) of each Committee.

The Board Skills Matrix (Table 1) summarises the Directors' current skills and experience. The Board considers that its current members have an appropriate mix of skills and experience in order to discharge its responsibilities and to deliver on SunRice's strategic imperatives. The Board and the Nomination Committee actively work together in assessing the ongoing succession planning and renewal program for the Board.

One area of focus of the Board and Nomination Committee is gender diversity of the Board. During the reporting period, the Nomination Committee and Board actively discussed initiatives and steps the Company could take to increase female representation on the Board, as part of succession planning and in light of upcoming Grower Director elections. Measures the Company took in FY2023 included co-hosting a Women In Rice forum in Melbourne, around 20 women from the rice industry invited to attend and with Women on Boards in attendance. The Company is committed to improving its Board gender diversity and is more broadly committed to achieving Diversity, Equity and Inclusion. More information about our commitment can be found in the Company's Diversity, Equity and Inclusion Policy and in our Corporate Governance Statement.

During FY2023, the Board also updated its Skills Matrix following the FY2022 review of the assessment of the skills and experience of the current Directors. The updated Board Skills Matrix was used during the reporting period, to assist the Nomination Committee and the Board in succession planning and in determining the ongoing development needs of the current Board.

In assessing the Board's requirements for new directors, consideration is given to the skills, experience and background of existing Board members, the Group's strategy and any identified new skills required to supplement the Board's capabilities. The Nomination Committee also works with external advisors in assessing potential new directors and their skills.

Board qualifications

The Board comprises qualifications gained in one or more of the core operating segments of SunRice.

- **2** Agricultural Science
- **2** Engineering
- **2** Commerce/Economics

Industry experience

The Board views relevant skills and experience as adding strength to the Board.

- **4** Food Processing & FMCG
- **8** Rice Industry
- **4** ASX/Board
- **4** Financial management

Directors' average tenure

The Board considers it has an appropriate mix of new, mid and longer tenured Directors. The average term of the Board is 7 years.

0	5	3	2
1–3 years	4–6 years	7–9 years	10+ years

Gender diversity

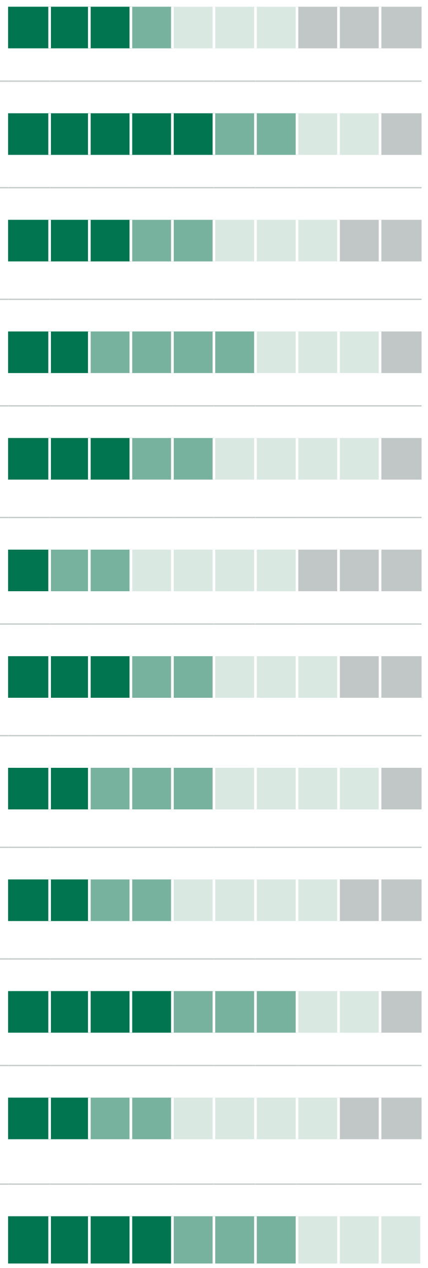
While SunRice has not set a formal target for female representation on the Board, a range of initiatives have been put in place to improve gender balance, including identifying and developing female candidates from within the Riverina rice industry.

10% Female | **90%** Male

Table 1 – Board Skills Matrix

Skills	Experience and knowledge
Corporate Leadership	Senior executive leadership and operations skills and experience in large, complex, and distributed corporate and/or ASX-listed companies.
Commercial Leadership	Commercial skills and acumen, entrepreneurship, and agile experience leading businesses in dynamic environments.
Strategic Planning	Experience in corporate strategic planning and development to create long term shareholder value, including deriving value from mergers, acquisitions, and partnerships.
Research and Development	Experience in commissioning and managing research and development for commercial and competitive purposes.
Corporate Finance	Proficiency in finance and accounting for ASX-listed companies; financial acumen and literacy; M&A and capital raising expertise; knowledge of financial governance systems and monitoring.
Consumer and Marketing	Knowledge of and experience in consumer marketing, product and brand development and segmentation, and data analysis.
People and Culture	Experience in C-suite performance management and remuneration, organisational development, human capital and WHS management, and industrial relations.
Risk and Compliance	Experience in balancing commercial imperatives and risk; knowledge of risk management and compliance systems for ASX-listed and regulated companies.
Technology and Digital	Knowledge of technology and digital systems; experience in developing IT strategy, managing digital transformation and system delivery, IT governance, regulatory requirements, and risk.
Stakeholder Management	Experienced in stakeholder management, engagement, and advocacy with relevant stakeholders.
Corporate Governance	Chair and Director experience; ASX-listed board and regulatory experience; knowledge of contemporary governance standards and practices including ESG and investment governance.
Sector Experience	Contemporary FMCG, rice and agribusiness, and related international markets experience across the food industry value chain.

Board strength



Proficient | Practiced | Developing | N/A

Board of Directors

The names of the persons who have been Directors, or appointed as Directors, during the financial period and up to the date of this Annual Report are outlined as follows, together with their tenure, qualifications, directorships and previous appointments.

Laurie Arthur

Chair
Non-executive Director
Grower

BAgSc GAICD

Moulamein Grower
Director since 2007
Chairman since 2014

Current appointments
Director, Aqaba Processing Company Ltd (Jordan). Representative, Rice Industry Co-ordination Committee.

Previous appointments
President, Ricegrowers' Association of Australia Inc. Commissioner, National Water Commission.

Rob Gordon

Group Chief Executive Officer
Non-Grower

BSc (Hons) CEng MAICD

Director since 2012

Current appointments
Chairman, Ricegrowers Singapore Pte Ltd, Chairman, Ricegrowers Vietnam LLC. Director, SunRice Australia Pty Ltd, Director, SunRice Trading Pty Ltd, Director, SunRice Fund Ltd, Director Riviana Foods Pty Ltd; Director, Roza's Gourmet Pty Ltd; Director, Aqaba Processing Company Ltd (Jordan); Director, Trukai Industries Ltd (PNG); Director, Solomons Rice Company Limited (Solomon Islands); Director, Sunshine Rice Inc (USA); Director, SunFoods LLC (USA), Director, Ricegrowers Limited New Zealand, Director Ricegrowers Middle East DMCC (UAE); Director, Australian Grain Storage Pty Ltd; Director, Sunshine Rice Pty Ltd; Director, Rice Research Australia Pty Ltd and Director, KJ & Co Brands Pty Ltd; Director, Pryde's Tucker Bag Pty Ltd, Pryde's Easifeed Pty Ltd, Pryde's Easifeed NZ Ltd. Director, Ingham's Group Limited. Member, Agribusiness Advisory Board, Rabobank. Representative, Rice Industry Coordination Committee.

Previous appointments
Director, Bread Research Institute of Australia Ltd. Member, Advisory Board, Gresham Private Equity.

For executive experience please refer to the Corporate Management Team profiles on page 52.

John Bradford

Deputy Chair
Non-executive Director
Grower

MAICD

Mayrung Grower
Director since 2015

Current appointments
Chairman, Trukai Industries Limited (PNG);
Member, Rice Marketing Board Member for the State of NSW.

Previous appointments
Chairman, Southern Riverina Irrigators. Alternate Delegate, Deniliquin Branch, Ricegrowers Association of Australia Inc.

Luisa Catanzaro

Non-executive Director
Non-Grower

BComm FCA GAICD

Director since 2018

Current appointments
Director, The BeCause Movement Foundation Ltd. Director, Harvey Norman Limited. Ex-Officio Member, Museum of Contemporary Art Australia (Finance Committee).

Previous appointments
CFO, Lynas Corporation Limited; CFO and Company Secretary, Dairy Farmers; CFO and Company Secretary, The Australian Agricultural Company Limited. Senior finance roles, Pioneer International Limited. Senior Audit Manager, Arthur Andersen.

Dr Andrew Crane

Non-executive Director
Non-Grower

BSc (Hons) PhD FAICD

Director since 2018

Current appointments
Director, Viridis Ag Pty Ltd; Director, Viridis Ag Services Pty Ltd; Director RAC WA Holdings Ltd, Director, RAC Finance Ltd. , Director, Committee for Perth Ltd, Director, SI Investment Holdings Pty Limited; Director, Cubbie Ag Services Pty Limited. Council Member and Chancellor, Curtin University.

Previous appointments
Director and Chair Lawson Grains Pty Ltd; Director CBH Joint Venture, Interflour; Chair, Business Council of Co-operatives and Mutuals; Advisory Board Member of Rabobank Australia and New Zealand Wholesale Food and Agriculture Board. CEO CBH; General Manager Strategy and Business Development and General Manager Marketing and Trading. Various manufacturing, purchasing and international sales roles in the European malting and brewing industry. Former member of the Prime Minister's B20 Leadership Group.

Ian Glasson

Non-executive Director
Non-Grower

BEng (Hons) GAICD

Director since 2016

Current appointments
Director, Clover Corporation Limited.

Previous appointments
CEO, PGG Wrightson Ltd; CEO, Gold Coin Group/Zuellig Agriculture; CEO, Sucrogen; Managing Director, Gresham Rabo Food & Agribusiness PE Fund; Managing Director International Ingredients Division, Goodman Fielder. Various management and engineering positions, Esso Australia and its parent Exxon.

Ian Mason

Non-executive Director
Grower

MAICD

Finley Grower
Director since 2018

Current appointments
Director, Trukai Industries Limited (PNG); Member, Rice Marketing Board for the State of NSW. Member, Southern Growers.

Previous appointments
Chairman, AgriFutures Australia Rice Advisory Panel. Director, Rice Research Australia Committee.

Jeremy Morton

Non-executive Director
Grower

MAICD

Moulamein Grower
Director since 2019

Current appointments
Chairman, National Irrigators' Council; Member, Ricegrowers Association Water Committee.

Previous appointments
President and Chairman, Ricegrowers Association of Australia. Graduate of the Rice Industry Emerging Leaders and Established Leaders Programs and the Australian Rural Leaders Program.

Dr Leigh Vial

Non-executive Director
Grower

BAgrSc (Hons)
MEc PhD GAICD

Moulamein Grower
Director since 2015

Current appointments
Director, Agripak Pty Ltd. Adjunct Fellow, University of Queensland.

Previous appointments
Head of International Rice Research Institute's Experiment Station (Philippines). Representative, AgriFutures Rice Research Committee.

Julian Zanatta

Non-executive Director
Grower

MAICD

Benerembah Grower
Director since 2019

Current appointments
Nil.

Previous appointments
Nil.

Kate Cooper

Company Secretary

Refer to the Corporate Management Team profiles on page 52.

*SunRice Group Assistant Brand Manager **Eloise Laws** and National Account Manager **Aylwin Mathews***

Table 2 – Composition of Board Committees
as at 30 April 2023

Director	Status	Finance, Risk & Audit Committee	People & Remuneration Committee	Nomination Committee	Safety, Health & Sustainability Committee	Grower Services Committee	Independent Committee[47]
Laurie Arthur	Chair – Grower		•	Chair			
Rob Gordon	Chief Executive Officer						•
John Bradford	Deputy Chair & Non-executive Grower	•	•	•			
Luisa Catanzaro	Non-executive Non-Grower	Chair	•	•			•
Dr Andrew Crane	Non-executive Non-Grower	•			Chair		•
Ian Glasson	Non-executive Non-Grower	•	Chair	•			•
Ian Mason	Non-executive Grower				•	•	
Jeremy Morton	Non-executive Grower				•	•	
Dr Leigh Vial	Non-executive Grower				•	•	
Julian Zanatta	Non-executive Grower	•				Chair	

47. The Chair of this Committee rotates each meeting.

Directors' interests in shares

Directors' interests in A and B Class shares of Ricegrowers Limited are shown in the Remuneration Report on page 71–72.

Directors' benefits

The Directors have direct dealings with the company on the same terms and conditions that apply to all members whether by contractual arrangements or otherwise. No Director has received or become entitled to receive a benefit by reason of a contract made by the company or a controlled entity with the Director or a firm of which the Director has a substantial financial interest other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the Remuneration Report. Several Directors sit on local Boards which serve the rice industry. The Group has dealings with these Boards and Committees whose purpose is to deal with issues that relate to the rice industry.

Directors' meetings

Table 3 – Directors' meetings
Directors' meetings for the year ended 30 April 2023

Director	Board		Finance, Risk & Audit Committee		Grower Services Committee		People & Remuneration Committee		Nomination Committee		Safety, Health & Sustainability Committee		Independent Committee	
	Attended	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended	Possible	Attended	Possible
LJ Arthur[48]	11	11	5	5	4	4	4	4	5	5	2	2	–	–
J Bradford	11	11	5	5	2	2	4	4	5	5	1	1	–	–
L Catanzaro	11	11	5	5	–	–	4	4	5	5	2	2	3	3
A Crane	11	11	5	5	–	–	–	–	–	–	4	4	3	3
I Glasson	11	11	5	5	–	–	4	4	5	5	1	1	3	3
R Gordon[49]	10	11	5	5	4	4	4	4	5	5	3	4	3	3
I Mason	11	11	–	–	4	4	–	–	–	–	4	4	–	–
J Morton	11	11	–	–	4	4	–	–	–	–	4	4	–	–
L Vial	11	11	–	–	4	4	–	–	–	–	4	4	–	–
J Zanatta	11	11	5	5	4	4	–	–	–	–	1	1	–	–

Independence of Directors

The Board regularly reviews the independence of each Director, having regard to the ASX Corporate Governance Principles and Recommendations. In accordance with those Principles and Recommendations, a Director will be considered independent if they are a Non-executive Director who is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally as a whole, rather than in the interest of an individual shareholder or other party.

Each Non-executive Director is required to provide to the Board all information that may be relevant to the assessment of their independent status.

Directors who hold A Class Shares are also rice growers who supply rice to the Group. While these Directors supply rice on the same terms as all other rice growers, the Board recognises that there may be a perception that the rice supply relationship between the Group and these Directors may influence the decision making of these Directors. Accordingly, while they are able to bring an independent judgement to bear on Board decisions, Directors who supply rice to the Group have not been characterised as independent due to this potential perception concern.

48. LJ Arthur is not a member of the Finance, Risk and Audit Committee or the Grower Services Committee, however attends meetings.
49. R Gordon attends all Committee meetings

Corporate Management Team

Rob Gordon

Group Chief Executive Officer

BSc (Hons) CEng, MAICD

Rob joined SunRice in 2012 as CEO and Managing Director.

Rob's career spans more than 35 years' of experience in the FMCG and agribusiness sectors, including over 20 years in CEO and Managing Director roles for companies including Viterra Inc, Dairy Farmers Ltd and Goodman Fielder (Meadow Lea and Consumer Goods divisions).

He also held various senior executive roles with Unilever in Europe and Australia.

For Directorships, please refer to page 48.

Kate Cooper

General Counsel and Company Secretary

BA Comms, LLB, GAICD

Kate joined SunRice in 2016 as General Counsel and in December 2020 was appointed Company Secretary, with responsibility for the Group's company secretarial, legal, corporate affairs and sustainability functions.

Kate has more than 25 years' experience as a lawyer, with large law firms in Australia as well as in-house.

Prior to joining SunRice, Kate spent 10 years as General Counsel of Ticketek, which was then part of the Nine Entertainment Group.

Dimitri Courtelis

Chief Financial Officer

BCompt (UNISA), CA (CA ANZ), CFE (ACFE), MAICD

Dimitri was appointed Group CFO of SunRice in 2018, following an extensive global career in various senior finance roles.

A qualified chartered accountant (CA ANZ), and fraud examiner (ACFE), he spent 10 years in professional services in South Africa, Australia and Dubai in external audit, transaction advisory and forensic services for firms such as EY and Deloitte.

Prior to joining SunRice, Dimitri spent seven years in senior finance roles with the Etihad Airways Group in Abu Dhabi, Serbia and Germany, including as the Group CFO of AirSERBIA and Group CFO of Air Berlin PLC in transformation and restructuring roles.

Stephen Forde

Chief Executive Officer, Riviana Foods Pty Ltd

Stephen joined Riviana Foods in 2013 as CEO, bringing close to 25 years' of strategic sales, marketing and general management experience in the FMCG industry.

During his 20-year career with Reckitt Benckiser, he was Global Customer Director, UK and General Manager, New Zealand.

Before joining SunRice, Stephen spent four years as General Manager, New Zealand for Campbell Arnott's.

Ganesh Kashyap

General Manager, CopRice

BEng (Hons), MBA

Ganesh joined SunRice in August 2021 as General Manager, CopRice. In this role he carries end-to-end responsibility for leading the business and preparing it for its next stage of growth.

Ganesh joined after a 10-year successful global career with Mondelez International. Most recently, he was Managing Director of Mondelez Japan, where he led business turnaround within highly competitive categories in the world's third largest snacks market. Previously he was the GM of Mondelez's eCommerce business unit in Asia Pacific, where he led rapid business growth in Australia, China, India and key Southeast Asian markets. The first decade of his career was established in strategy consulting, including time with Bain & Company.

Paul T. Parker

General Manager, People and Culture

BS HRM, MBA

Paul joined SunRice as the General Manager of People and Culture in 2019, with responsibility for both the human resources and safety functions of the Group.

With a proven track record of addressing strategic managerial and operational issues, Paul is recognised for developing and implementing innovative and practical human resources solutions in complex organisations and delivering strong and sustainable results.

Paul has 25 years' experience, including leading human resources across global FMCG companies. Prior to joining SunRice, Paul was the Chief Human Resource Officer for Royal Caribbean.

Belinda Tumbers

Chief Executive Officer, Global Rice

Belinda joined SunRice in July 2021 to lead the newly created Global Rice function. As the CEO of Global Rice, Belinda is responsible for developing, growing, sourcing, manufacturing and supplying rice products to satisfy expanding global demand.

Belinda brings significant leadership capability to SunRice, with over 20 years' experience in the commercial and FMCG sectors. She was previously Managing Director of AMEA Snacks for the Kellogg Company, where she led the strategic development and end-to-end operations of the Kellogg's Snacking business across Asia, Australia and New Zealand, Africa and the Middle East. Prior to this, Belinda was the Managing Director of Kellogg's business in ANZ. In 2017 Belinda was named Telstra NSW Business Woman of the Year and also received the Corporate and Private Award.

Alan Preston

Chief Executive Officer, Trukai Industries Limited

BBus (Marketing)

Alan joined Trukai in 2020 and is responsible for all aspects of the PNG business, with more than 35 years' of senior management experience in a wide range of industries.

Alan started his career in the FMCG industry, with roles at Bowater Scott and Rexona, followed by over 20 years with the Dulux Group, which included numerous regional roles across South-East Asia and China.

Alan has extensive merger and acquisition experience and has led a number of challenging turnaround roles in Australia, New Zealand, China and South-East Asia.

He has also worked as a lecturer in sales and marketing at RMIT, Adelaide University and Southern Cross University.

Directors' Report

Your Directors present their report on the consolidated entity (referred to hereafter as SunRice or the Group) consisting of Ricegrowers Limited and the entities it controlled at the end of, or during the financial year ended 30 April 2023.

1. Information on Directors and Company Secretary

Details of the Directors, Company Secretary and their qualifications, including current and previous directorships, are available in the Corporate Governance section on pages 46 to 51.

2. Directors' independence, interests in shares, benefits and meetings

Details of the Directors' independence, interests in shares, benefits and attendance at the various meetings held during the year are available in the Corporate Governance section on page 51 and the remuneration section of this Directors' report.

3. Principal activities

The principal activities of Ricegrowers Limited and its controlled entities consist of the receipt and storage of paddy rice, the milling, processing, manufacturing, procurement, distribution and marketing of rice and related products, animal feed and nutrition products and other grocery, gourmet and special occasions food products and the research and development into the growing of rice.

4. Dividends

Dividends distributed to members during the financial year were as follows:

	2023 $000's	2022 $000's
Special dividend for the year ended 30 April 2022 of 5 cents (2021: 0 cents) per outstanding ordinary B Class Share	3,103	-
Final dividend for the year ended 30 April 2022 of 25 cents (2021: 33 cents) per outstanding ordinary B Class Share	15,514	20,102
Interim dividend for the year ended 30 April 2023 of 10 cents (2022: 10 cents) per outstanding ordinary B Class Share	6,278	6,170
Total dividend distributed	24,895	26,272

Since the end of the financial year, the directors have recommended the distribution of a fully franked final dividend of $25,282,000(40 cents per fully paid outstanding ordinary B Class Share) to be paid on 28 July 2023 out of retained profits at 30 April 2023.

5. Consolidated entity result

The profit before income tax of the Group for the period was $69,699,000 (2022: $59,668,000).

The net profit after income tax of the Group for the period was $54,790,000 (2022: $48,727,000).

The net profit of the Group for the period after income tax and after non-controlling interests was $52,554,000 (2022: $47,553,000).

6. Review of operations

A comprehensive review of operations is set out in the Our Strategy in Action, Our Financial Performance and Position and Our Outlook sections of this Annual Report on pages 14 to 27.

7. Significant changes in the state of affairs

In July 2022, Ricegrowers Limited, in collaboration with AgriFutures Australia and the Ricegrowers' Association of Australia, established Rice Breeding Australia Limited, a company limited by guarantee in which Ricegrowers Limited holds a 33.33% ownership.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Group that occurred during the financial period under review, not otherwise disclosed in the Annual Report.

8. Events since the end of the financial year

On 22 June 2023, Ricegrowers Limited entered into a Share Buy-Back Agreement under which it will become the sole shareholder of Trukai Industries Limited in Papua New Guinea, in which it currently holds a 66.23% ownership interest. The transaction will facilitate the buy-back of all the shares held in Trukai by Melanesian Trustee Services Limited (as trustee and manager of the Pacific Balanced Fund) (representing a 33.77% ownership interest), for PGK42,500,000 (approximately AUD17,500,000).

Other than this event and the declaration of a fully franked final dividend of 40 cents per ordinary B Class Share (refer to section 4 of this Directors' Report), the Directors are not aware of any matter or circumstance, since the end of the financial year, not otherwise dealt with in this Annual Report that has significantly, or may significantly, affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods.

9. Likely developments and expected results of operations

Likely developments in the operations of the Group have been disclosed in the Our Outlook section on page 27 of this Annual Report.

10. Environmental regulation

The Group is subject to environmental regulation in respect of its land development, construction and manufacturing activities in Australia and other international operations including:

- Land development planning approvals under the NSW Environmental Planning and Assessment Act 1979 and Development Victoria Act 2003; and
- Compliance with Protection of the NSW Environment Operations Act 1997, Victoria Environment Protection Act 2017, the NSW Environmentally Hazardous Chemicals Act 1985, the Waste Avoidance and NSW Resource Recovery Act 2001, QLD Environmental Protection Act 1994, California Environmental Quality Act (CEQA) 1970, PNG Environment Act 2000, Jordan Environmental Protection Law No. 52 of 2006 and Decree No. 18/2015/ND-CP dated February 14, 2015 of the Government on environmental regulation or protection, strategic environmental impact assessment, environmental impact assessment and environmental protection plan- Vietnam.

SunRice has 19 registered Environmental Protection Authority (EPA) licenses in NSW, one EPA Operating License in Victoria, one in California USA, and one Environment Impact Assessment (EIA) in Vietnam which require annual returns. SunRice also has one Resource Consent Certificate in New Zealand and one Development Approval in Queensland Australia which stipulate operational conditions.

All Australian sites completed and submitted their annual returns during the financial year, and:

- Any complaints received in relation to environmental issues were and continue to be investigated and action plans were and continue to be implemented to reduce the impact of the SunRice Group's activities.
- Any non-conformances were managed through the internal compliance management system.
- One pollution reduction program is open at Leeton CopRice Lic.. 10762 regarding odour management

Greenhouse gas and energy data reporting requirements

The Group is subject to the reporting requirements of the Australian National Greenhouse and Energy Reporting (NGER) Act 2007.

SunRice assessed its Australian energy usage and submitted its Australian National Greenhouse and Energy Report to the Clean Energy Regulator during the year, reporting on scope 1 and 2 emissions within Australian Operations. The following table reports outcomes for the past 5 years.

Financial Year	AU Gigajoules of energy#	AU TCO2e Scope 1,2 Emissions#	Non AU SRG TCO2e Scope 1,2 Emissions*
2017-2018	487,956	84,547	8,487
2018-2019	385,456	60,021	11,970
2019-2020	315,801	46,706	12,888
2020-2021	326,138	48,953	12,788
2021-2022	442,992	70,681	13,670

#SunRice NGER Report for the July 2021-June 2022 period
**Non Australian Emissions may be subject to variations*
Disclosures for all years use global emission factors.
At the time of publishing this report, the 2022-2023 data is not yet available.

11. Remuneration report (audited)

Message from the Chairman of the People and Remuneration Committee

Dear A and B Class Shareholders,

On behalf of the People and Remuneration Committee of the SunRice Board, I am pleased to present the Remuneration Report for the year ended 30 April 2023 (Financial Year 2023 or FY2023). As outlined earlier in this Annual Report, the Group delivered an exceptional performance in FY2023, navigating a challenging inflationary environment to deliver improved profitability and a record revenue. The naturally earned record paddy price of $461 per tonne for medium grain Reiziq and total fully franked dividend of 40 cents per B Class Share for FY2023 (also the highest in SunRice's history) reflect the Group's ongoing focus to deliver value to both classes of shareholders.

Combined with the Group's best safety performance on record, this strong financial performance has resulted in positive Short-Term Incentive (STI) payouts for the majority of eligible employees across the business. The remuneration outcomes for FY2023 also reflect the Management team's performance in delivering against agreed objectives and progressing the Company's Growth Strategy.

These achievements are exemplary, particularly in the current labour market in which we are operating, which has certainly provided a challenging environment from an attraction and retention perspective as the Group responds to the low unemployment rates, high interest rates and a candidate aligned market resulting from increased job vacancies. In response, the Total Rewards Strategy and Employee Value proposition has become increasingly critical to both leaders and employees. SunRice is focusing on accelerating the recruitment process, seeking opportunities for internal talent movements, providing increased long-term opportunities through our equity-based programs and engaging with employees around the Purpose, Vision, Mission, Values, and Behaviours to reinforce the Making the Difference proposition. Despite these challenges, the Group is pleased to have achieved the highest engagement outcomes to date, since the inception of the 'Say It As You See It' Engagement survey.

In December 2022, the Group CEO, Rob Gordon, announced his intention to retire from the SunRice Group after 11 years. The Board conducted a global executive search which resulted in the appointment of the new CEO, Paul Serra, who will formally commence in the role on 23 August 2023, after the group's AGM and a handover period which will begin in July 2023. The key remuneration terms were advised at the time of announcement notice and are included in this report for completeness. In addition, a range of measures were put in place to ensure stability amongst our executive leaders and key roles to support the transition to the new CEO. Key Management Personnel were awarded retention awards in the form of B Class Share rights, and the notification period for the CEO, Global Rice, was increased from three to six months. These measures will help set the SunRice Group up for success and mitigate any potential instability during the leadership change, and ensure these key employees remain engaged in the Company's long-term strategy and performance.

The SunRice group is pleased to have reached and implemented new Enterprise Agreements with its employees in FY2023. Respective Enterprise Agreements for Operations and Maintenance employees were established, supporting the Company's long-term goal to modernise the agreements while providing employees with greater security, competitive pay increases for each year of the new agreements and future career progression opportunities through role and skill development.

Compliance reviews remain a key priority to ensure the organisation maintains policies, processes and practices aligned to the latest Remuneration legislation.

Following the approval of shareholders at the B Class Shareholder Meeting in August 2022, three of our Non-executive Directors participated in the Non-executive Director Fees Sacrifice B Class Share Acquisition Plan during FY2023. This share purchase plan is designed to ensure that Director interests are aligned with the long-term interests of shareholders and the Company, and Directors are working to meet the requirements of the Minimum Shareholding Policy which was introduced in FY2022.

The Board also appointed a Deputy Chair in FY2023 and introduced a Committee fee for the Independent Committee members following an increase in the workload of this committee. Whilst not related to FY2023, Committee Fees for FY2024 have been considered and increased by a market related increase of 4.5% effective 1 May 2023 (more than 12 months since the previous increase). Despite the increase applied, some Board fees continue to remain in the lower quartile in comparison to our peers. The People and Remuneration Committee will continue to review the fees as part of FY2024 to ensure the attraction and retention of high calibre Board members whilst balancing the spend and quantum of Directors included in the fee pool.

During the year, the Group also introduced a new Employee Share Sale Plan to facilitate the off-market B Class Share purchase by the SunRice Group of vested/unrestricted B Class Shares sold by employees through the Ricegrowers Employee Share Trust. This program was set up in recognition of the illiquid nature of SunRice's B Class Shares.

On behalf of the SunRice Board and People and Remuneration Committee, I invite you to read the FY2023 Remuneration Report and welcome your feedback.

Ian Glasson
Chairman, People and Remuneration Committee

Executive Summary

At SunRice, our remuneration strategy is designed to create value for all our shareholders by aligning the Total Rewards Strategy to the achievement of business goals determined in the context of our long term strategy.

Rewards Philosophy

At SunRice:

- We attract, motivate, engage and retain talented employees who deliver on our strategic goals and that of our shareholders, rice growers, and the communities in which we operate
- We meaningfully differentiate rewards based on individual performance and behaviours, team and cross-functional contribution, business and grower mindset, company affordability and market positioning
- We offer competitive Total Remuneration Packages, aligned with a globally consistent framework, yet adapted to changing local business conditions
- We align long term reward with shareholders' interests through the award of equity
- Our value proposition across our diverse workforce is unique with opportunities aligned with being an Australian owned, global organisation
- Our strategy is underpinned by fairness and consistency in our approach and we aim to be at the forefront of our competitors
- We care for our employees and provide opportunities to strengthen their health and well-being
- We recognise employees who Make a Difference.

Outline of this Remuneration Report

The Remuneration Report has the following sections:

- Overview
- Key Management Personnel
- Remuneration Governance at SunRice
- Executive Remuneration Policy and Framework
- Remuneration Tables
- Remuneration of Non-executive Directors
- Shareholdings and other mandatory disclosures
- Voting and comments made at Ricegrowers Limited's Annual General Meeting

Five-year financial performance

SunRice aims to align our executive remuneration to our strategic objectives and the creation of shareholder wealth. The table below sets out the measures that show the Group's financial performance over the past five years. Some of these measures form the basis for the measures used in determining the variable amounts of remuneration to be awarded to Key Management Personnel (KMP), as outlined in section 12.4.

	2023	2022	2021	2020	2019
Group NPBT ($000s) (1)	69,699	59,668	19,042	31,110	48,411
Group EBITDA ($000s) (1/2)	116,965	91,343	49,140	65,697	78,764
Naturally determined Medium Grain Paddy Price ($/t) (3)	461	428	-	-	411
Basic Earnings per B Class Share (cents)	83.8	77.2	34.6	45.8	54.5
Return on Capital employed (%) (4)	9.8%	9.3%	3.9%	6.6%	9.9%
Dividend (cents per B Class Share) (5)	50	40	33	33	33
B Class Share price at 30 April ($)	6.20	6.88	6.58	5.15	6.50
Average STI payment as a % of target STI opportunity for Key Management Personnel (6)	143%	123%	123%	156%	113%

1. In 2021 and 2020, the financial performance of the Group was impacted by drought and the fixed price contracts offered for the entire crop harvested in those years (see note 3 below)
2. EBITDA is defined as earnings before net finance costs (asset financing charges are not considered a finance cost/income for the purpose of the EBITDA calculation), tax, depreciation, amortisation and impairment
3. During the drought affected years of 2021 and 2020, only a fixed price of $750 and $500 respectively was paid for the entire crop harvested in those years.
4. Return On Capital Employed is defined as the ratio of Profit Before Income Tax and Net Interests to Net Assets excluding Cash and Borrowings (current and non current).
5. Representing the combined amount of interim, final and special dividend declared in each financial year
6. SunRice Chief Executive Officer is excluded and participates under a separate STI plan.

12.1 Overview

The Directors are pleased to provide shareholders with this Remuneration Report for the year ended 30 April 2023, which outlines the Board's approach to remuneration for Non-executive Directors, the Executive Director and other Key Management Personnel (KMP).

In accordance with the Constitution of Ricegrowers Limited, certain Directors are appointed as Directors of the Company based on their status as elected members of the Rice Marketing Board (RMB).

The information in this report has been audited as required by section 308(3C) of the Corporations Act 2001.

12.2 Key Management Personnel

For the purpose of this Remuneration Report, the term 'Executive' is used to describe current (and former if applicable) Executives of the Group listed below (including the Executive Director).

These Executives, in addition to the Non-Executive Directors represent the KMP of the Group for the 2023 financial year, being persons who, during the year, had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly (as defined under Australian Accounting Standards).

The KMP of the Group for the year ended 30 April 2023 were:

Name	Position
A. Current Directors (including the Executive Director)	
LJ Arthur	Non-executive Director and Chairman
RF Gordon	Executive Director and Chief Executive Officer (retiring 23 August 2023)
JMJ Bradford	Non-executive Director (RMB elected member) and Deputy Chairman (appointed as Deputy Chairman 1 October 2022)
L Catanzaro	Non-executive Director (Independent)
AJ Crane	Non-executive Director (Independent)
ID Glasson	Non-executive Director (Independent)
JJ Morton	Non-executive Director
IR Mason	Non-executive Director (RMB elected member)
LK Vial	Non-executive Director
JL Zanatta	Non-executive Director
B. Current Executives	
DC Courtelis	Chief Financial Officer
BJ Tumbers	Chief Executive Officer, Global Rice

12.3 Remuneration Governance at SunRice

The People and Remuneration Committee conducts a regular review of the Company's remuneration policy and structure to ensure it remains aligned to business needs and meets our remuneration principles. From time to time the Committee engages external remuneration consultants to assist with this review, however no Remuneration Consultants were appointed during FY2023.

The Committee is responsible for making recommendations to the Board in respect of Directors' and Executives' remuneration, as well as general remuneration matters, but makes no formal decisions on behalf of the Board. Committee members are outlined in the Corporate Governance section of this report on page 50 and the People and Remuneration Committee Charter is available on the Group's website.

Corporate Governance

Further information on the People and Remuneration Committee's responsibilities and the Group's governance practices can be found in our Corporate Governance Statement, as available on the Group's website.

12.4 Executive Remuneration Policy and Framework

The Remuneration Strategy, as approved by the Board provides guidance and parameters for governing Executive remuneration. The Board recognises that to deliver the Company's strategy for growth, the Group needs to attract, motivate and retain high-quality employees and Executives.

The Remuneration Framework outlined on the next page is designed to fit the objectives of the Group, having regard to the size and complexity of the Group's operations.

SunRice Business Strategic Goals – SunRice's Growth Strategy

The Remuneration Framework has been designed to support the SunRice Growth Strategy, an outline of which is available on pages 14 and 15 of this Annual Report.

Remuneration Framework for the FY2023 reporting period

Total Fixed Remuneration (TFR)	Variable 'at risk' remuneration	
Total Fixed Remuneration	Short Term Incentive (STI)	Equity Incentive Plans
Set at a competitive level to attract, retain and maintain engagement at all levels, with superior offerings for our key talent and employees considered critical to the long-term growth of the company. Remuneration takes into consideration: ▪ Size and complexity of the role ▪ Skills and competencies needed to generate results ▪ Internal and external alignment ▪ Performance of the Company and individual ▪ Succession planning and retention. In some circumstances, the local economic and market conditions may require further refined market positioning.	Aligned to the achievement of SunRice's business objectives measured over the short term. Details of the Chief Executive Officer's separate STI plan are outlined in section 12.4.4. For participants in the Group STI Plan, financial and non-financial KPIs based on performance goals consist of: ▪ Maximising Paddy Prices for growers, net profit after tax of the Group and net profit before tax of each Business Unit or Subsidiary ▪ Business Unit/Subsidiary specific targets that focus on quality. ▪ The achievement of Safety, Health and Sustainability targets ▪ The achievement of People Metrics that focus on retention and succession ▪ Individual performance aligned with the performance management philosophy of measuring both the 'what' and 'how'.	The Chief Executive Officer, Executives and other key individuals are eligible to participate in Equity Long Term Incentive (LTI) plans that are focused on the achievement of targets set by the Board over a three-year period. It is reflective of building long-term value for the organisation and its shareholders. In addition, selected Executives and other employees are invited to participate in other incentive equity plans focused on the attraction and retention of critical skills. These plans are tailored to address specific needs and may vary in terms of length as well as nature of service and performance conditions (if applicable).

Total Rewards Strategy

The Total Rewards Strategy supports the Business and People and Culture strategy to:

- Deliver on our Rewards Philosophy and Total Rewards Strategy whilst supporting the Group in achieving our strategic goals
- Build great foundations for leaders to have the knowledge, processes and tools to make informed rewards decisions
- Remain competitive in our ever-changing workforce by tailoring our Global offer to cater for local circumstances
- Keep abreast of thought leadership and new opportunities whilst aligning the financial interests of Executives and shareholders
- Ensure our strategy balances risk and reward to deliver ongoing company growth
- At all times, embed our values, in "what" we do and "how" we do it.

The strategy is delivered across all aspects of our SunRice Total Rewards offer including:

- Remuneration;
- Incentives;
- Benefits;
- Health and Well-being;
- Recognition; and
- Career Paths.

The Total Rewards offer aims to provide a competitive offer across all aspects of Total Rewards, inclusive of all life stages and accommodating of a diverse workforce.

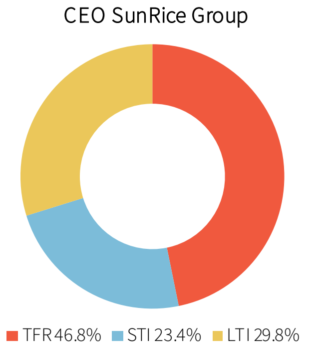
In the current labour market, the requirement to attract and retain talent has become increasingly challenging.

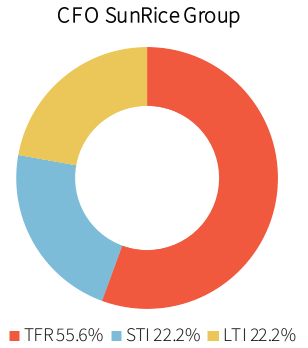
The Group continues to focus on maximising the Total Rewards Strategy and bringing to life the Employee Value proposition. This has been achieved through driving a culture of positivity, inclusivity and accountability in a purpose driven environment where deeper connections are important to the Group future success.

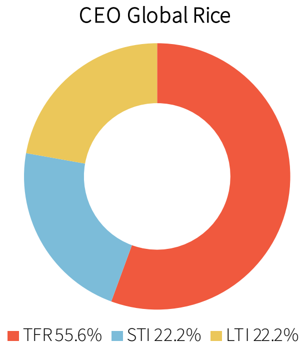
12.4.1 Remuneration mix

The Board believes it is appropriate to have a Remuneration Framework that comprises a fixed salary component as well as an at-risk component comprising short and long-term incentives.

The Group's mix of fixed and at risk remuneration components for the Executive KMP for the FY2023 reporting period, expressed as a percentage of total target annual reward, are as follows:







As outlined in section 12.4.9, B Class Share rights were granted under a Retention scheme to the CFO and CEO, Global Rice in addition to the total target annual reward.

It is worth noting that for FY2024, the Board has taken the opportunity to realign the incoming CEO's remuneration package mix with market practice, by increasing the pay at-risk components, STI (100%) and LTI (75%), as a percentage of a lower TFR. This is a departure from the historical high cash component (noting the current CEO's original package was based on all components being cash, including the LTI offer) which subsequently increased over time due to a long serving CEO with consistently high performance.

The incoming CEO's pay mix of TFR 36.4%, STI 36.4% and LTI 27.2% for FY2024 will ensure that the new CEO is remunerated with a pay mix aligned with the market, and superior reward for outcomes based on the delivery of stretch results, also consistent with peer companies.

12.4.2 Total Fixed Remuneration

Total Fixed Remuneration (TFR) includes base salary, superannuation plus other short-term benefits and/or allowances. Executives may elect to take a range of benefits as part of their remuneration package, including novated leased vehicles and/or additional superannuation.

The Group's remuneration policy is to offer competitive Total Fixed Remuneration and utilise at risk variable pay to reward outstanding performance and contribution.

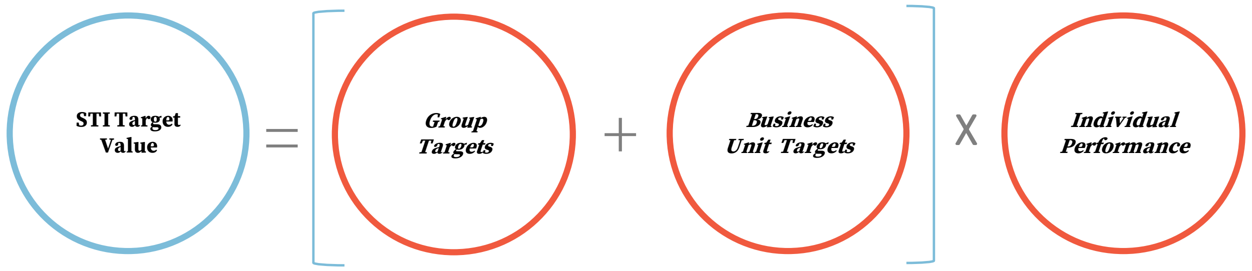
The remuneration offer for employees targeted as our "talent group" is at a more attractive position as part of the Total Rewards philosophy, including Long Term Incentive and career development opportunities where appropriate nationally and/or internationally.

12.4.3 Short-Term Incentive (STI) plan

The STI component of remuneration is a cash plan focused on rewarding participants for the delivery of financial and non-financial measures required to achieve the Group's critical business objectives.

The Directors rigorously test the annual STI performance measures to ensure the performance required to achieve "on target" results is appropriately stretching. The Board retains discretion to amend or cease all or part of any incentive payable to reward a payout relative to the Group's results.

The overall structure of the FY2023 STI plan is illustrated below:



The Chief Executive Officer participates in a separate STI plan, the details of which are outlined in section 12.4.4.

Executives STI Plan

Objectives	1. Support SunRice's annual strategic goals by rewarding Executives and other eligible employees for the achievement of objectives directly linked to the business strategy. 2. Drive short-term Company performance with acceptable risk and appropriate governance. 3. Be market competitive, ensuring SunRice is able to compete to attract and retain high quality talent to continue to improve the Group's performance.
Eligibility	Executives (excluding the Chief Executive Officer) and other eligible employees
Instrument	Cash
Opportunity	Target: 40% of TFR for the Chief Financial Officer and CEO Global Rice, with a stretch component for outperformance. Total opportunity is 187.5% of target opportunity based on a 125% stretch for the Group and Business unit metrics, and 150% for the Individual performance multiplier. Target opportunity for other eligible employees varies based on job level.
Performance period	1 May 2022 to 30 April 2023
Assessment of performance	Each period, Key Performance Indicators (KPI) are selected for both Group and business unit measures and sub-measures of performance. The weighting of KPIs reflects the individual Executive roles and responsibilities. KPIs are focused on the improvement in profit, maximisation of returns to growers and strategic and operational goals. Executive KPIs for FY2023 were:

	Weighting	Link to strategy	Detail
Adjusted Group Net Profit After Tax (NPAT) & Paddy Price	45%–70%	Strong financial growth will lead to consistent returns to A & B Class shareholders.	Awarded on a straight-line performance approach between 95% of target (at which point 50% is awarded) and 110% of target (at which point stretch is applicable).
Business Unit specific KPIs	0%-25%	Strong financial and/or non-financial performance in each Business Unit leads to strong group results and greater returns for shareholders.	Each Executive is set targets for their respective Business Unit and key drivers for success. Stretch is applicable.
Business Unit– Safety, Health & Sustainability (SHS)	10%	SunRice is committed to achieving Zero Harm. Achieving this goal is important in ensuring the sustainable success of our business.	SHS targets for each Business Unit include leadership safety activities to proactively drive a safety focused culture and the measurement of Compliance Activity Completion rates. Stretch is applicable.
Business Unit People Metric	20%	Retention and development of internal talent is critical to delivering on overall financial and strategic goals.	People metrics are set for each Business unit to improve retention and internal succession over time. Stretch is applicable.
Total	**100%**		
Individual Performance (as a Multiplier)	0%-150%	The continuous development of our leadership team is imperative to ensuring the Group continues to adapt to strategic challenges.	Each Executive is being assessed against a set of individual performance KPIs relating to their role as an individual contributor. The final performance rating represents a multiplier percentage of between 0% to 150% that is applied to the Group and/or business unit performance outcome.
Opportunity at Stretch	187.5%		

Assessment	The People and Remuneration Committee reviews the performance assessment of each Executive and recommends the STI payments to the Board committee for approval.

12.4.4 FY2023 Chief Executive Officer STI Plan

The CEO participates in a cash STI plan (see table below). The CEO's target STI opportunity is 50% of TFR and may increase to 75% of TFR where stretch performance outcomes for the year are achieved. The People and Remuneration Committee reviews and approves the CEO's annual performance assessment and STI payments at the end of the performance period.

Objective	Rationale link to strategy	STI measurement	Weighting of each KPI (excl. stretch)	FY2023 CEO STI Achievement Value	FY2023 CEO STI Achievement Percentage
#1 Maximise Grower Returns	Achieve financial results for A Class Shareholders	Achieve the Budget Paddy Price per tonne	20%	Achieved Stretch	40%
#2a Maximise Group Net Profit After Tax (NPAT)	Strong financial growth will lead to consistent returns to B Class Shareholders	Group NPAT	20%	Achieved Stretch	40%
#2b CopRice Recovery	Strong financial growth will lead to consistent returns to B Class Shareholders	CopRice NPBT	10%	Achieved Stretch	20%
#3 Successful People Strategy	Development and succession planning of key roles	Various KPIs determined by the Board	20%	Achieved Target	20%
#4 Successful delivery of the M&A agenda and Capital Management	Achieving successful acquisition, expansion and management of debt headroom to deliver on growth agenda	Various KPIs determined by the Board	20%	Achieved Target	20%
#5 Environmental, Social, Governance (ESG)	To deliver science based metric targets	Various KPIs determined by the Board	10%	Achieved near Target	8%
			100%	$1,110,000	148%

The Board has agreed that the CEO will also receive a payment at time of retirement of $250,000 in lieu of participating in the STI plan for FY2024. This payment will acknowledge the work performed by the CEO as part of FY2024 and his support in transitioning duties to the new CEO.

12.4.5 FY2023 STI Outcomes

The outcomes of the STI plan reflect a strong delivery of results against targets in FY2023 across the business units. Business Unit specific KPI results varied, as did the People metrics. Safety achieved stretch outcomes. For both the CFO and CEO, Global Rice the payouts were above average compared to other business units. Taking into consideration the Individual Performance element that impacts the overall STI results, the payouts outlined below were achieved from a potential 187.5% maximum opportunity:

KMP	Target STI opportunity $	As a % of TFR	STI Outcome $	FY2023 % Achieved	FY2022 % Achieved
Chief Executive Officer	$750,000	50%	$1,110,000	148%	129%
Chief Financial Officer	$298,000	40%	$437,920	147%	138%
Chief Executive Officer, Global Rice	$280,000	40%	$388,544	139%	108%

12.4.6 Long-Term Incentive (LTI) plan

The LTI plan is a share plan whereby eligible participants are invited to accept B Class Share rights that will vest over a three-year term, subject to the achievement of performance hurdles and service criteria. LTI plans are granted annually to reward superior performance and the achievement of long-term goals and encourage retention of critical key talent.

Executives (and other eligible employees) – consistent across all annual plans	
Eligibility	Executives (excluding the Chief Executive Officer) and other employees invited to participate.
Instrument	Equity.
Quantum	An amount determined as a target percentage of Total Fixed Remuneration. For plans granted from FY2022, participants are also entitled to receive an additional grant of B Class Shares for an amount equivalent to dividends that may be payable during the vesting period (and up to the exercise date) on any vested B Class Share rights.
Performance period	Three-year performance period commencing 1 May of the first year of the performance period.
Performance hurdles	The Board selects relevant performance measures to align with increased shareholder value and growers' interest applicable for each plan. B Class Share rights will lapse if performance conditions are not met.
Vesting schedule	Performance is assessed over the three-year period and B Class Share rights vest at the end of the performance period. For plans awarded up to FY2021, B Class Shares are issued immediately following the release of the audited financial results of the final year of the performance period. For plans awarded from FY2022, participants are able to exercise any B Class Share right that vest up to 7 years from the Rights issue date. Vested but unexercised Rights are automatically exercised in the first Trading Window on or after the Last Exercise Date if they are not exercised by then.
Last Exercise Date	7 years from the issue date.
Termination	The Board retains discretion to cancel any unpaid, unvested or deferred LTI in part or in full in the event of financial misstatements. B Class Share rights are forfeited on cessation of employment unless the Board determines otherwise.

12.4.7 Details of Executives (and other eligible employees) LTI plans

	FY2021-FY2023 LTI plan	FY2022-FY2024 LTI plan	FY2023-FY2025 LTI plan
Quantum	Quantum is determined based on a target percentage of Total Fixed Remuneration, and the Volume Weighted Average Price (VWAP) of B Class Shares traded on the ASX over the last five traded days prior to 1 May 2020, being the commencement of the performance period ($5.18). Total plan participants (including KMP): 342,730 B Class Share rights granted. Chief Financial Officer (KMP): 54,000 B Class Share rights granted. The Chief Executive Officer, Global Rice had not commenced with the Company at the time of this offer	Quantum is determined based on a target percentage of Total Fixed Remuneration, and the VWAP of B Class Shares traded on the ASX over the last five traded days prior to 1 May 2021, being the commencement of the performance period ($6.65). Total plan participants (including KMP): 350,700 B Class Share rights granted. Chief Financial Officer (KMP): 43,000 B Class Share rights granted. Chief Executive Officer, Global Rice (KMP): 43,000 B Class Share rights granted.	Quantum is determined based on a target percentage of Total Fixed Remuneration, and the VWAP of B Class Shares traded on the ASX over the last nine traded days prior to 1 May 2022, being the commencement of the performance period ($6.75). Total plan participants (including KMP): 313,400 B Class Share rights granted. Chief Financial Officer (KMP): 45,000 B Class Share rights granted. Chief Executive Officer, Global Rice (KMP): 45,000 B Class Share rights granted.
Performance period	1 May 2020 to 30 April 2023	1 May 2021 to 30 April 2024	1 May 2022 to 30 April 2025
Grant date	17 August 2020	26 July 2021	18 July 2022
Rights Issue date	1 September 2020	16 August 2021	10 August 2022
Fair Value of B Class Share rights granted	The fair value of the B Class Share rights at grant date was estimated by taking the market price of the company's B Class Shares on that date ($5.20) less the present value of expected dividends that will not be received by the participants on their B Class Share rights during the three year vesting period, resulting in the accounting fair value of $4.34.	The fair value of the B Class Share rights at grant date was determined by taking the market price of the company's B Class Shares on that date ($6.70). No adjustment was required as participants are eligible to receive dividends on their B Class Share rights during the three year vesting period.	The fair value of the B Class Share rights at grant date was determined by taking the market price of the company's B Class Shares on that date ($7.00). No adjustment was required as participants are eligible to receive dividends on their B Class Share rights during the three year vesting period.
KPIs included in Performance hurdles	30% Maximisation of Riverina Grower Returns over time 30% Value Creation for Investors measured as Return on Capital Employed (ROCE) exceeding a Weighted Average Cost of Capital (WACC) based target. 20% Strategic Revenue Growth identified as streams of growth opportunities from new products and/or new market entry 20% People Engagement Metric	30% Maximisation of Riverina Grower Returns over time 30% Value Creation for Investors measured as ROCE exceeding a WACC based target. 20% Strategic Revenue Growth to secure a strong future for SunRice and its shareholders. 20% People Engagement Metric	30% Maximisation of Riverina Grower Returns over time 30% Value Creation for Investors measured as ROCE exceeding a WACC based target. 20% Strategic Revenue Growth to secure a strong future for SunRice and its shareholders. 20% People Engagement Metric
Vesting schedule	Performance is assessed over the three-year period from 1 May 2020 to 30 April 2023 and B Class Share rights vest on 30 April 2023 (with B Class Shares issued immediately following release of the audited 2023 financial results).	Performance is assessed over the three-year period from 1 May 2021 to 30 April 2024 and B Class Share rights vest on 30 April 2024 (with B Class Share rights being exercisable into B Class Shares for a period of up to 7 years after their issue date).	Performance is assessed over the three-year period from 1 May 2022 to 30 April 2025 and B Class Share rights vest on 30 April 2025 (with B Class Share rights being exercisable into B Class Shares for a period of up to 7 years after their issue date).
Forecasted / Actual vesting	Based on the achieved results against the plans performance hurdles and participating KMP, the LTI B Class Share rights vested at 100%, resulting in a 0% forfeiture (except for employees that were no longer with the business as at 30 April 2023).	At present the plan is being accrued for on the assumption of 100% vesting for the participating KMP and other eligible employees, with 0% forfeiture (except for employees that were no longer with the business as at 30 April 2023).	At present the plan is being accrued for on the assumption of 100% vesting for the participating KMP and other eligible employees, with 0% forfeiture (except for employees that were no longer with the business as at 30 April 2023).

12.4.8 FY2022-FY2024 Chief Executive Officer LTI plan

At the 2020 Annual General Meeting, and in accordance with the Chief Executive Officer's employment contract, the Board invited the Chief Executive Officer to participate in the FY2022-FY2024 LTI plan in the form of B Class Share rights. No additional LTI offer was made to the Chief Executive Officer in FY2023.

Chief Executive Officer LTI Plan

Instrument	Equity.
Quantum	550,000 B Class Share rights granted. Quantum was determined based on an uplift (overall of 8% or 3% per annum) on the previous quantum of 507,932 (set back in January 2019) in relation to the FY2019-FY2021 CEO LTI plan. The annual quantum value (excluding dividends) equates to 66% of the CEO's fixed remuneration on 1 May 2021. The CEO is also entitled to receive an additional grant of B Class Shares for an amount equivalent to dividends that may be payable during the vesting period (and up to the exercise date) on any vested B Class Share rights.
Performance period	Three-year financial period from 1 May 2021 to 30 April 2024 (with the service period deemed to start immediately after the Annual General Meeting in August 2020). Performance conditions will apply over the vesting period. Assessment against these conditions is subject to the discretion of the Board, which may adjust outcomes or include or exclude items if the Board considers it appropriate, to better reflect shareholder expectations or individual performance.
Grant date	28 August 2020
Rights Issue date	1 September 2020
Fair Value of B Class Share rights granted	The accounting fair value of the B Class Share rights at grant date was determined by taking the market price of the Company's B Class Shares on that date ($5.21). No adjustment was required as dividends can be received by the Chief Executive Officer on his B Class Share rights during the vesting period.
Vesting schedule	Based on progress against the performance hurdles, 50% of the B Class Share Rights vested 18 months after the commencement of the performance period on 31 October 2022. The Board assessed the performance to date as outlined in the Forecasted/Actual vesting section below to determine the vesting as at 31 October 2022. The 50% residual B Class Share Rights will be prorated based on the CEO retiring in August 2023. The Board will assess the performance at that time to confirm progress against the performance hurdles and therefore final vesting outcome. The Board may defer vesting of the Rights in order to ensure that the Rights vest during a Trading Window. The CEO is entitled to exercise any B Class Share rights that vest within 7 years from the Rights issue date. Vested but unexercised Rights will be automatically exercised in the first Trading Window on or after the Last Exercise Date if they are not exercised by that time.
Last Exercise Date	7 years from the issue date.
Termination	In line with the plan rules, the CEO will receive a pro-rata number of B Class Shares as a result of his employment ceasing due to genuine retirement in August 2023. In the event of redundancy, disability, death, illness, the sale of a subsidiary or business asset by the Company, or as a result of mutual agreement prior to the CEO's final employment date, the pro-rata of the B Class Shares for the current performance period will also apply. The Board retains discretion to cancel any unpaid, unvested or deferred LTI in part or in full in the event of an act of fraud, misconduct, or where there has been deliberate and material financial misstatement in the Company's financial statements.
Performance hurdles	The Board has selected the following performance measures to ensure that the Chief Executive Officer's remuneration is aligned with increased shareholder value and growers' interests: • 30% Maximise Grower Return over time to achieve budgeted price per paddy tonne • 30% Value Creation for Investors being a measure of ROCE exceeding a WACC based target over the performance period • 20% Strategic Revenue Growth – measured by year on year company growth to secure a strong future for SunRice and its shareholders • 20% People and Culture – KPIs including the bench strength for management succession and future leaders. B Class Share rights will lapse if performance conditions are not met.
Forecasted / Actual vesting	As at 31 October 2022, and in accordance with the vesting schedule detailed above, 275,000 B Class Share rights (50% of the original grant) vested based on the Board's assessment that performance measures were on track for achievement at the end of the three-year performance period. When the CEO chooses to exercise these B Class Share Rights in the future, an additional amount of B Class Shares equivalent to the dividend amount paid during the period from 1 May 2021 to the chosen exercise date will also be provided to the CEO. At present, it is considered that the vesting continues to be on track to achieve 100% of the performance hurdles at the end of the three-year performance period, however with the anticipated retirement of the CEO in August 2023, a prorated amount of 122,222 B Class Share rights will be forfeited in line with the plan rules on cessation. As a consequence, the overall LTI plan is expected to vest at 78%, resulting in an 22% forfeiture.

12.4.9 Other Equity Plans

Other share plans, whereby eligible participants (including the CFO and CEO, Global Rice) are invited to accept an offer of B Class Share rights, have been designed, tailored and offered to address the specific need to attract and/or retain talent during this volatile period of significant turnover globally and upcoming change with the retirement of the current CEO. These plans vest over a specified period of time (the duration of which can vary) and are only subject to service conditions.

It is intended that a further offer will be made in FY2024 (with B Class Share rights being issued in July 2023) to select individuals across the organisation, to ensure retention between the period from 1 July 2023 and 31 December 2025, as senior leaders navigate increased change as a result of new leadership.

The positive impact that these plans have on retention suggests that we are likely to see more offers in the future to address specific requirements.

Executives (and other eligible employees) – consistent across all plans

Eligibility	Executives and other eligible employees (by invitation only).
Instrument	Equity.
Quantum	Quantum is determined based on an individual's specific circumstances. Participants are also entitled to receive an additional grant of B Class Shares for an amount equivalent to dividends that may be payable during the vesting period (and up to the exercise date) on any vested B Class Share rights.
Performance hurdles	Only service conditions apply for the CFO and CEO, Global Rice as well as other participants. No performance conditions are included as the B Class Share rights are offered as a retention mechanism (and a partial buy out of equity from former employment being forfeited upon joining SunRice in the case of the offer granted to the CEO, Global Rice in FY2022)
Vesting schedule	Participants are entitled to exercise any B Class Share rights that vest within 7 years from the rights issue date. Vested but unexercised Rights will be automatically exercised in the first Trading Window on or after the Last Exercise Date if they are not exercised by that time.
Last Exercise Date	7 years from the issue date.
Termination	The Board retains discretion to cancel any unpaid, unvested or deferred Rights in part or in full in the event of financial misstatements. B Class Share rights are forfeited on cessation of employment unless the Board determines otherwise.

12.4.10 Details of Executives (and other eligible employees) Other Equity plans

	FY2022 Other Equity plans	FY2023 Other Equity plans
Quantum	Total plan participants (including KMP): 213,020 B Class Share rights granted. CEO, Global Rice: 100,000 B Class Share rights granted. The CFO did not participate in any Other Equity plan.	Total plan participants (including KMP): 1,126,980 B Class Share rights granted. CFO and CEO, Global Rice: 150,000 B Class Share rights granted each.
Retention period	CEO, Global Rice scheme covering the period from 19 July 2021 to 31 July 2023. For other participants, the terms vary and are advised in an individual invitation letter.	CFO scheme covering the period from 15 December 2022 to 1 December 2024. CEO, Global Rice scheme covering the period from 15 December 2022 to 1 May 2025. For other participants, the terms vary and are advised in an individual invitation letter.
Grant date	26 July 2021 for the CEO, Global Rice. Grant dates vary for other participants invited to the plan.	15 December 2022 for the CFO and CEO, Global Rice. Grant dates vary for other participants invited to the plan.
Rights Issue date	CEO, Global Rice: 16 August 2021 For other participants, dates vary and are aligned to the invitation letters.	CFO and CEO, Global Rice: 10 January 2023 For other participants, dates vary and are aligned to the invitation letters.
Fair Value of B Class Share rights granted	CEO, Global Rice: The accounting fair value of the B Class Share rights at grant date was determined by taking the market price of the Company's B Class Shares on that date ($6.70). No adjustment was required as dividends can be received by the CEO, Global Rice on her B Class Share rights during the vesting period. For other participants, the accounting fair value of the B Class Share rights at grant date was determined using similar mechanisms at the relevant grant dates.	CFO and CEO, Global Rice: The accounting fair value of the B Class Share rights at grant date was determined by taking the market price of the Company's B Class Shares on that date ($6.62). No adjustment was required as dividends can be received by the CFO and CEO, Global Rice on the B Class Share rights during the vesting period. For other participants, the accounting fair value of the B Class Share rights at grant date was determined using similar mechanisms at the relevant grant dates.

Vesting schedule	The CEO, Global Rice's B Class Share rights will vest provided she remains employed (and not in a notice period following resignation) at the conclusion of the vesting period, on 31 July 2023. For other participants, dates vary and are aligned to the invitation letters.	The CFO's B Class Share rights will vest in 2 tranches provided he remains employed (and not in a notice period following resignation) at the conclusion of the relevant vesting period, being 50,000 B Class Share rights on 1 December 2023, and 100,000 B Class Share rights on 1 December 2024. The CEO, Global Rice's B Class Share rights will vest in 3 tranches provided she remains employed (and not in a notice period following resignation) at the conclusion of the relevant vesting period, being 25,000 B Class Share rights on 1 December 2023, 100,000 B Class Share rights on 1 December 2024, and 25,000 B Class Share rights on 1 May 2025. For other participants, dates vary and are aligned to the invitation letters.
Forecasted / Actual vesting	At present the plans are being accrued for on the assumption of 100% vesting for the CEO, Global Rice and other eligible participants, with 0% forfeiture. Based on the completion of the relevant service periods for some other participants, their related B Class Share rights vested at 100% during FY2023, resulting in a 0% forfeiture for those participants.	At present the plans are being accrued for on the assumption of 100% vesting for the participating KMP and other eligible employees, with 0% forfeiture (except for employees that were no longer with the business as at 30 April 2023). Based on the completion of the relevant service periods for some other participants, their related B Class Share rights vested at 100% during FY2023, resulting in a 0% forfeiture for those participants.

12.4.11 Employee Share Scheme (ESS) (myShare Plan)

Following the Board's approval, the following offers under the Employee Share Scheme (ESS) to eligible employees who are Australian Tax Residents have been made:

Employee Share Scheme (ESS)

Instrument	The plan operates by way of either an after-tax employee payroll contribution with a company matching arrangement for either $250, $500, $750 or $1,000, and/or employees having the option to salary sacrifice between $1,000 and $5,000 (in specified increments), to purchase B Class Shares from their pre-tax salary. A $7,000 limit per employee applies including the company's matching portion.	
Offer	July 2021 Offer	July 2022 Offer
Grant Date	12 July 2021	11 July 2022
Issue Price	$7.13, based on the VWAP of B Class Shares traded on the ASX over the last nine days on which B Class Shares were traded prior to 7 July 2021. Due to the matching offer in the plan, no discount was applied.	$7.44, based on the VWAP of B Class Shares traded on the ASX over the last nine days on which B Class Shares were traded prior to 30 June 2022. Due to the matching offer in the plan, no discount was applied.
B Class Shares issued	69,046 B Class Shares including 981 B Class Shares which were issued to the Chief Financial Officer. This also included 25,165 B Class Shares issued under the matching component of the plan, of which 140 were issued to the Chief Financial Officer. The Chief Executive Officer and the CEO, Global Rice did not participate in the July 2021 ESS offer.	89,881 B Class Shares including 940 B Class Shares which were issued to the Chief Financial Officer. This also included 25,726 B Class Shares issued under the matching component of the plan, of which 134 were issued to the Chief Financial Officer. The Chief Executive Officer and CEO, Global Rice did not participate in the July 2022 ESS offer.

12.4.12 Non-executive Director Fees Sacrifice B Class Share Acquisition Plan (NEDs Plan)

Following B Class Shareholder approval at the 2022 B Class Shareholder Meeting, the Non-executive Director Fees Sacrifice B Class Share Acquisition Plan was established.

The Plan has been introduced to support Non-executive Directors to build their shareholdings in the Company and as a mean of enhancing the alignment of interests between Non-executive Directors and B Class Shareholders generally.

The Company has set a minimum shareholding required of one time the Non-executive Director base fee.

The following offer was made during the year:

Non-executive Director Fee Sacrifice B Class Share Acquisition Plan

Instrument	The plan operates by way of a Director fee sacrifice plan (over a twelve month period), which allows Non-executive Directors to sacrifice up to 100% of their annual Directors' base fees to acquire B Class Share Rights at the value described below. Each B Class Share Right is a right to receive a fully-paid ordinary B Class Share, subject to the terms of the grant. Non-executive Directors B Class Share Rights are rights to acquire ordinary B Class Shares in the Company for nil consideration, conditional on the participant continuing to hold office as a director of the Company until the B Class Share Rights convert to B Class Shares. B Class Share Rights are granted once a year and vest after the end of the blackout period following the release of the half year financial results in December of each year.
Quantum	Quantum is determined based on an amount elected by the Non-executive Director of up to 100% of their Director's base fees, and the VWAP of B Class Shares traded on the ASX over the last five traded days prior to 1 September 2022. Total plan participants: 4 Non-executive Directors. 13,098 B Class Share Rights granted.
Rights vest and convert to Restricted B Class Shares	B Class Share Rights vest and convert into fully paid ordinary B Class Shares subject to a disposal restriction ("Restricted B Class Share") in the first trading window following grant of the Rights. For the inaugural year, it was approximately 4 months (post AGM in August 2022 to Trading window following the half year results in December 2022). For future years, it will be approximately 6 months. (Trading window in June/July to Trading window following the half year results in December/January). B Class Shares acquired when B Class Share Rights convert are restricted from sale for a period nominated by the Non-executive Director when electing to participate in the plan for the relevant year. The restriction period will end earlier than the elected period if the Non-executive Director retires from the Board.
Performance Conditions	Nil (in effect this is a share purchase plan for Non-executive Directors)
Offer date	20 April 2022
Grant date	1 September 2022
Vesting date	16 December 2022
Issue Price	$7.17, based on the VWAP of B Class Shares traded on the ASX over the last five days on which B Class Shares were traded prior to 1 September 2022.
Treatment of dividends	B Class Share Rights do not have voting or dividend rights. Restricted B Class Shares carry the same dividend, voting and other rights as ordinary B Class shares.
Termination	If the participant ceases to hold office as a Director of the Company before the B Class Share Rights convert to B Class Shares, the Non-executive Director has the option to contribute the outstanding amount. Alternatively, a pro-rata number of B Class Share Rights will vest and convert to B Class Shares based on the quantum of director fees contributed over the period until the time the director retired from the Board. For B Class Shares acquired on conversion of B Class Share Rights that are subject to restrictions, the restriction period will end when the participant ceases to be a Non-executive Director.

12.4.13 Employee Share Sale Plan (ESSP)

Following the Board's approval, an Employee Share Sale Plan was introduced to facilitate the off-market B Class Share purchase by the SunRice Group of vested/unrestricted B Class Shares sold by employees through the Ricegrowers Limited Employee Share Trust.

This program can be offered to employees to the extent that the Employee Share Trust has a genuine need for the B Class Shares bought back and only buys the quantity of B Class Shares required in the foreseeable future (i.e. in the upcoming year for events such as the vesting of LTI and other equity plans).

The rules of the plan are set out below:

Employee Share Sale Plan (ESSP)

Key terms and conditions	The minimum buy-back parcel is 1,000 B Class Shares. The plan is open to all active employees as well as former employees that have ceased their employment within the 6 months prior to the plan opening (with the plan generally opening twice a year for a short period of time after the release of the half year and full year financial results). The plan is not open to the SunRice Group Non-executive directors. Proceeds are distributed to the individual's bank accounts rather than through payroll. The plan can be terminated at any time by SunRice. Employees wishing to participate in the offer must not have been identified as having, or potentially having, information that is or may become inside information. The CEO & other KMP must notify the Chairman and Company Secretary of their intention to trade prior to participating in the offer.
Activity during the year	During the reporting period 200,335 B Class Shares were purchased by the Ricegrowers Limited Employee Share Trust from employees. This included 120,661 B Class Shares purchased from the Chief Executive Officer. The Chief Financial Officer and Chief Executive Officer, Global Rice did not participate in the ESSP in the current reporting period. The transaction price of $6.70 was based on the five day VWAP at 10 January 2023.

12.5 Executive Remuneration tables

	Short term benefits				Post-employment benefits (4)		Long term benefits (non cash)	
Name	Cash Salary and Fees $	Cash Bonus (2) $	Non-Monetary Benefits (1) $	Annual and Long Service Leave (3) $	Super-annuation $	Total Paid and Payable cash benefit $	Share-based Payments Equity settled (2) (3) (5) $	Performance related %
R Gordon								
2023	1,474,995	1,110,000	11,460	-22,369	25,005	2,599,091	386,915	50%
2022	1,428,744	938,526	11,460	-48,106	23,256	2,353,880	1,052,019	58%
D Courtelis								
2023	719,995	437,920	11,460	24,937	25,005	1,219,317	555,984	56%
2022	694,744	395,548	11,460	33,995	23,256	1,159,003	208,766	44%
B Tumbers								
2023	674,995	388,544	11,460	39,130	25,005	1,139,134	764,606	61%
2022	528,249	291,944	101,880	24,003	19,640	965,716	355,829	49%

1 Non-monetary benefits include benefits such as car parking and relocation expenses (applicable to B Tumbers). In some cases, these are at the election of the Executives (salary sacrifice). FBT is applicable on Car Parking for 2023 at a value of $1,914, however no FBT was applicable in 2022.
2 Cash bonus, Share Based Payments and annual increases to cash salary are impacted by performance. Cash salary and fees have however not been included as "performance related" in the above table.
3 Annual and Long Service Leave, as well as the Share-based Payments represent the change in provisions during the reporting periods.
4 There were no Termination benefits to be reported on in 2023 (2022: Nil).
5 For D Courtelis and B Tumbers, the Share Based Payments include amounts awarded under the LTI plan and Other Equity plans.

12.6 Remuneration of Non-executive Directors

The Board aims to set Non-executive Director remuneration at a level that enables the attraction and retention of Directors of the highest calibre, while incurring a cost that is acceptable to shareholders.

The remuneration of the Non-executive Directors is determined by the Board on recommendation from the People and Remuneration Committee within a maximum fee pool. Non-executive Directors receive a base fee and statutory superannuation contributions. Non-executive Directors do not receive any performance-based pay.

Non-executive Director (NEDs) Remuneration Fees

In setting remuneration, the People and Remuneration Committee undertakes an annual process to ensure:

- Remuneration is reflective of the market and takes into consideration comparator companies and peers within the Fast Moving Consumer Goods (FMCG), agribusiness and rural sectors; and
- Financial interests of Non-executive Directors and shareholders are aligned.

In line with the commitment in the 2022 Remuneration Report, the People and Remuneration Committee continues to review the Non-executive Director fees to ensure the attraction and retention of high calibre Board members, whilst balancing the spend and quantum of Directors included in the fee pool.

Effective 1 July 2022, the Board agreed to introduce a fee for the NEDs that participate in the Independent Committee, in recognition of an increase in the workload of this committee which prerogatives are to manage any Company matters which would be conflicting for Grower Directors. No Chair fees however apply to this Committee as the Chair will be rotated from meeting to meeting.

Also effective 1 July 2022, the superannuation contributions increased from 10% to 10.5% in line with legislation.

With the expanding responsibilities and demand on the Chairman, the Board took the decision to reintroduce the role and appoint a Deputy Chair position to the Board, effective 1 October 2022. Following the outcome of a vote at the September Board meeting, John Bradford was appointed to the role. The applicable fees are reflected in the Director FY2023 fee structure.

Fee pool

The maximum amount of fees that can be paid to Non-executive Directors is capped by a pool approved by shareholders. At the 2020 Annual General Meeting, shareholders approved the current fee pool of $1,500,000 per annum.

The total fees paid in the reporting period (including superannuation contributions in respect of Directors' remuneration and excluding payments made by Trukai Industries Limited which are excluded from the pool) was $1,249,429 (2022: $1,135,439), utilising 83% (2022: 76%) of the total fee pool.

Directors attending to the business of the Group are reimbursed for the reasonable cost of travel and reasonable out of pocket expenses. These costs are excluded from the Director Fee Pool.

Directors fee structure

Fees - excluding superannuation	2023 $	2022 $
Board Chair	194,314	194,314
Board Deputy Chair	130,000	-
Board Member	91,196	91,196
Independent Committee Member	9,500	-
Finance, Risk and Audit Committee Chair	22,727	22,727
Finance, Risk and Audit Committee Member	9,000	9,000
People & Remuneration Committee Chair	18,182	18,182
People & Remuneration Committee Member	8,000	8,000
Grower Services Committee Chair	10,909	10,909
Grower Services Committee Member	5,455	5,455
Safety Health and Sustainability Committee Chair	13,636	13,636
Safety Health and Sustainability Committee Member	5,455	5,455

No fees are paid to the Chair of the Independent Committee (which rotates each meeting) or the Chair or Members of the Nomination Committee.

Non-executive Directors of the SunRice Group who are Directors of Trukai Industries Limited also received annual Director Fees for their roles in recognition of the additional workload associated with management of an operation based in Papua New Guinea. The Chairman is entitled to an annualised fee of $10,418 (PGK 25,000) and the Member an annualised fee of $8,334 (PGK 20,000).

Non-executive Director Statutory Remuneration

The table on the next page outlines the aggregate of all Directors' fees received by a Director in respect of the SunRice Group and any of its subsidiaries (including Trukai Industries Limited) during the current and previous reporting periods.

	Short term benefits		Post-employment benefits	Total
Current Directors	Cash Salary and Fees $	Cash Salary and Fees Other Controlled Entities $	Superannuation $	$
LJ Arthur				
2023	194,314	-	20,241	214,555
2022	187,374	-	18,583	205,957
L Catanzaro (1) (5)				
2023	131,423	-	13,690	145,113
2022	108,707	-	10,784	119,491
A Crane (1) (5)				
2023	123,332	-	12,847	136,179
2022	93,548	-	9,281	102,829
I Mason (2)				
2023	102,106	8,334	10,636	121,076
2022	99,252	7,390	9,844	116,486
JM Bradford (3)				
2023	130,832	10,418	13,647	154,897
2022	99,434	9,238	9,863	118,535
LK Vial (5)				
2023	102,106	-	10,636	112,742
2022	91,752	-	9,102	100,854
I Glasson (1) (5)				
2023	127,878	-	13,321	141,199
2022	106,320	-	10,547	116,867
JJ Morton (4)				
2023	102,106	-	10,636	112,742
2022	91,752	-	8,078	99,830
JL Zanatta				
2023	111,105	-	11,573	122,678
2022	96,923	-	9,615	106,538

1 Includes fees paid as a Member of the Independents Committee from 1 July 2022.
2 Includes fees paid as Member of the Directors of the Trukai Industries Limited Board.
3 Includes fees paid as Chairman of the Directors of the Trukai Industries Limited Board and Deputy Chairman fees from 1 October 2022..
4 JJ Morton superannuation reflects the impact of a novated vehicle.
5 In 2023, L Catanzaro, A Crane, LK Vial and I Glasson sacrificed $18,000, $23,000, $35,000 and $18,000 of their cash salary and fees respectively (representing 14%, 19%, 34% and 14% of their cash salary and fees respectively) to acquire B Class Shares under the Non-executive Director Fee Sacrifice B Class Share Acquisition Plan. The number of B Class Shares acquired through this plan is disclosed in section 12.7 on the next page.

12.7 Shareholdings and other mandatory disclosures

Service Agreements

The remuneration arrangements for the SunRice Chief Executive Officer and the Executives are formalised in Service Agreements, as set out below:

Name and Role	Term of Agreement	Notice Periods
R Gordon, Group Chief Executive Officer	Rolling contract with no fixed end date	6 months
D Courtelis, Group Chief Financial Officer	Rolling contract with no fixed end date	6 months
B Tumbers, Chief Executive Officer, Global Rice	Rolling contract with no fixed end date	6 months

The Chief Executive Officer's ongoing contract was issued dated 8 September 2016 with a termination period of six months. The CEO provided the Board more than six months' notice of his intention to retire in August 2023, which provided the Board the opportunity to conduct a global search, appoint Paul Serra as the new CEO and allow for a transition period before Mr Serra commences in the role on 23 August 2023.

B Tumbers, Chief Executive Officer, Global Rice was issued a new contract effective 1 December 2022 with a termination period of six months to align with other KMP.

Shareholdings

It is the Company's policy (Minimum Shareholding Policy) that each Non-executive Independent Director (NED) has control over B Class Shares in the Company that are worth at least the equivalent of one year's fixed remuneration. This policy is expected to be met over a four year period and supports the Non-executive Director Fees Sacrifice B Class Share Acquisition Plan that came into effect in FY2023 following approval of the shareholders at the B Class Shareholder meeting in August 2022.

Minimum shareholding requirements

A minimum shareholding requirement was introduced for Executives, KMP and NEDs. This Policy is intended to support alignment between KMP and the Group's shareholders and requires all KMP, Executives and NEDs to obtain and hold B Class Shares in line with the details below:

Position	Minimum Shareholding Requirement	Timeframe to Acquire
Group Chief Executive Officer and Managing Director	2 X Annual Total Fixed Remuneration	5 years from the time of appointment (or the effective date of the Policy, whichever is later)
Executives (including KMP)	1 X Annual Total Fixed Remuneration	5 years from the time of appointment (or the effective date of the Policy, whichever is later)
Non-executive Directors	1 X Annual Base Fees	4 years from the time of appointment (or the effective date of the Policy, whichever is later)

Directors' and other KMP interests in A and B Class Shares of the SunRice Group

B Class Shares in the below tables only include B Class Shares that were on issue as at 30 April 2023. B Class Shares that vested on or before 30 April 2023 upon completion of a share plan but were not yet exercised by that time are not included in these tables as the B Class Shares will only be issued after they are exercised at a future date.

Director	Held at 30 April 2022	Acquired during the year	Held at 30 April 2023
		A Class Shares	
L Arthur	1	1	2
J Bradford	1	1	2
L Catanzaro	-	-	-
A Crane	-	-	-
I Glasson	-	-	-
R Gordon	-	-	-
I Mason	1	1	2
J Morton	1	1	2
L Vial	1	1	2
J Zanatta	1	1	2

Director	Held at 30 April 2022	Acquired via DRP	Acquired via NEDs Plan	Disposed via ESSP	Held at 30 April 2023
			B Class Shares		
L Arthur	268,718	2,428	-	-	271,146
J Bradford	39,572	2,217	-	-	41,789
L Catanzaro	6,000	37	2,508	-	8,545
A Crane	-	-	3,205	-	3,205
I Glasson	25,188	1,411	2,508	-	29,107
R Gordon	647,932	36,309	-	(120,661)	563,580
I Mason	160,701	2,808	-	-	163,509
J Morton	145,561	8,157	-	-	153,718
L Vial	129,546	7,092	4,877	-	141,515
J Zanatta	27,449	981	-	-	28,430

Other KMP	Held at 30 April 2022	Acquired via DRP	Acquired via ESS	B Class Share Rights exercised	Held at 30 April 2023
			B Class Shares		
D Courtelis	47,416	4,109	940	25,660	78,125
B Tumbers	-	-	-	-	-

The aggregate number of B Class Shares held by current Directors of the SunRice Group, their related entities and other Key Management Personnel at balance date was:

Issuing entity	2023	2022
Ricegrowers Limited (B Class Shares)	1,482,669	1,498,083

Details of B Class Shares issued to Directors and their related entities pursuant to the Grower Share Purchase Plan (GSPP)

Related party name	Nature of relationship	B Class Shares issued pursuant to GSPP
Mr Lawrence John Arthur	Chairman and Director	5,216
Andrew Arthur and Amy Lolicato	Andrew Arthur is the son of a Director (Laurie Arthur)	819
John Neil Arthur	Director's son (Laurie Arthur)	482
DJ Mason & IR Mason & PD Mason trading as DJ Mason & Sons	Director, Director's mother and Director's brother (Ian Mason)	1,363
North Dale Pty Ltd	Director's company (Leigh Vial)	1,613
JA Zanatta & I Zanatta	Director (Julian Zanatta)	5,530

The GSSP was last offered in 2018.

B Class Share rights holdings for each KMP Executive

The table below shows a reconciliation of B Class Share rights in the Company held by each Executive KMP from the beginning to the end of the financial year. There were no B Class Share rights that had vested and were not exercisable at the end of the reporting period.

	Balance at the start of the year	Granted as remuneration	Exercised	Forfeited	Balance at the end of the year	Vested and exercisable (1)
R Gordon	550,000	-	-	122,222	427,778	275,000
D Courtelis	122,660	195,000	25,660	-	292,000	54,000
B Tumbers	143,000	195,000	-	-	338,000	-

1 At 30 April 2023, had R Gordon exercised the 275,000 B Class Share Rights that had vested and were exercisable at that time, an additional amount of 33,899 B Class Shares would have been delivered to him, representing the dividend equivalent earned by the vested B Class Share Rights during the vesting period and up to 30 April 2023. These additional B Class Shares are not included in the shareholding information presented in this section, as these B Class Shares will only be issued when the B Class Share Rights are exercised in the future. At 30 April 2023, vested and exercisable B Class Share Rights for D Courtelis did not include this dividend equivalent entitlement.

Number and Value of B Class Share rights granted, vested and forfeited during the year under the LTI and other equity plans

Details of the B Class Share rights granted as remuneration, vested, lapsed or forfeited during the year for each Executive KMP is presented in the table below. B Class Share rights are granted for nil consideration (i.e. zero exercise price) and vest following performance testing.

						Vested in FY2023		Forfeited in FY2023		
Current Executive KMP	Plan	Number of B Class Share Rights granted	Grant Date	Fair value at grant date ($)	Financial year in which B Class Share Rights may vest	Number	%	Number	%	Maximum fair value yet to vest ($) (1)
R Gordon	FY22	550,000	28-Aug-20	5.21	FY23/FY24	275,000	50	122,222	22	88,441
D Courtelis	FY21	54,000	17-Aug-20	4.34	FY23	54,000	100	-	-	-
	FY22	43,000	26-Jul-21	6.70	FY24	-	-	-	-	96,033
	FY23	45,000	18-Jul-22	7.00	FY25	-	-	-	-	210,000
	FY23	150,000	15-Dec-22	6.62	FY24/FY25	-	-	-	-	717,167
B Tumbers	FY22	143,000	26-Jul-21	6.70	FY24	-	-	-	-	178,074
	FY23	45,000	18-Jul-22	7.00	FY25	-	-	-	-	210,000
	FY23	150,000	15-Dec-22	6.62	FY24/FY25/FY26	-	-	-	-	757,591

1 The maximum value of the B Class Share rights yet to vest has been determined as the amount of the grant date fair value of the rights that is yet to be expensed.

Other transactions with Directors and other Key Management Personnel

	2023 $	2022 $
Purchases of rice from Directors	5,535,281	7,495,295
Sale of inputs to Directors	179,333	168,204
Other purchases from Directors	36,405	10,794
Total transactions with Directors and other Key Management Personnel	5,751,019	7,674,293

There were no transactions or loans provided to other KMP or their related parties as at the date of this report.

Purchases of rice from Directors were made on identical terms to purchases of rice from other growers.

12.8 Voting and comments made at Ricegrowers Limited's Annual General Meeting

It is noted that at the 2022 AGM held on 24 August 2022, of the votes cast, the Company received 88.89% 'for' vote on the Remuneration Report. Consequently, no additional disclosures have been triggered.

12. Insurance of officers and indemnities

During the year, Directors and Executive Officers of Ricegrowers Limited were insured as part of an insurance policy undertaken against a liability of a nature that is required to be disclosed under the Corporations Act 2001.

In accordance with the Corporations Act 2001, further details have not been disclosed due to the confidentiality provisions included in the insurance contract.

13. Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the Corporations Act 2001.

14. Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or the group are important.

Details of the amounts paid or payable to the auditor (PwC Australia) for audit and non-audit services provided during the financial year are set out in note 6c to the financial statements.

The board of directors has considered the position and, in accordance with advice received from the Finance, Risk and Audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out in note 6c to the financial statements, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services are provided in accordance with the Group's External Auditor Independence Policy, which is periodically reviewed and approved by the Finance, Risk and Audit committee to ensure the services provided do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

15. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 75.

16. Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' report.

Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

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

For and on behalf of the Board.

L Arthur
Chairman

R Gordon
Director

22 June 2023

Auditor's Independence Declaration

Auditor's Independence Declaration

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

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

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

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

Mark Dow
Partner
PricewaterhouseCoopers

Sydney
22 June 2023

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Financial Report

The following financial statements are consolidated financial statements for the Group consisting of Ricegrowers Limited and its subsidiaries. A list of subsidiaries is included in note 5a.

The financial statements are presented in the Australian currency.

Ricegrowers Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Ricegrowers Limited
57 Yanco Avenue
LEETON NSW 2705

Ricegrowers limited has a dual class share structure, with B Class Shares being able to be held by investors generally and A Class Shares being limited to rice growers who meet the production quotas prescribed by the SunRice Constitution. Details of this structure are available in the Shareholder Information section of this Annual Report on pages 140 and 141.

B Class Shares of Ricegrowers Limited are publicly traded on the Australian Securities Exchange (ASX) – code SGLLV.

A description of the nature of the Group's operations and its principal activities is included within the directors' report on page 54, which is not part of the financial statements.

The financial statements were authorised for issue by the directors on 22 June 2023.

The directors have the power to amend and reissue the financial statements.

All press releases, financial reports and other information are available in the Investors' Centre on our website: https://investors.sunrice.com.au/Investors

Consolidated Income Statement

FOR THE YEAR ENDED 30 APRIL

	Note	2023 $000's	2022 $000's
Sales revenue	2b	1,634,456	1,331,050
Other revenue	2b	3,567	3,343
Revenue from continuing operations		1,638,023	1,334,393
Other income	2c	3,342	1,585
Changes in inventories of finished goods		73,308	4,365
Raw materials and consumables used		(1,037,522)	(823,413)
Freight and distribution expenses		(225,954)	(146,940)
Employee benefits expenses		(178,509)	(148,719)
Depreciation and amortisation expenses		(28,344)	(26,142)
Impairment of assets		(5,218)	(58)
Finance costs		(14,010)	(5,626)
Other expenses	2d	(155,417)	(129,777)
Profit before income tax		69,699	59,668
Income tax expense	2f	(14,909)	(10,941)
Profit for the year		54,790	48,727
Profit for the year is attributable to:			
Ricegrowers Limited B Class shareholders		52,554	47,553
Non-controlling interests		2,236	1,174
		54,790	48,727
Earnings per B Class Share for profit attributable to B Class Shareholders			
Basic earnings (cents per B Class Share)	2e	83.8	77.2
Diluted earnings (cents per B Class Share)	2e	82.5	77.0

The above Consolidated Income Statement should be read in conjunction with the accompanying notes

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 APRIL

	Note	2023 $000's	2022 $000's
Profit for the year		54,790	48,727
Items that may be reclassified to profit or loss			
Changes in the fair value of cash flow hedges	4f	(2,935)	(1,674)
Exchange differences on the translation of foreign operations	4f	11,321	13,412
Income tax relating to items of other comprehensive income	4f	792	582
Other comprehensive income for the year, net of tax		9,178	12,320
Total comprehensive income for the year		63,968	61,047
Total comprehensive income for the year is attributable to:			
Ricegrowers Limited B Class shareholders		60,214	58,454
Non-controlling interests		3,754	2,593
		63,968	61,047

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

AS AT 30 APRIL

	Note	2023 $000's	2022 $000's
Current assets			
Cash and cash equivalents	4b	74,295	42,599
Receivables	3a	306,346	260,036
Inventories	3b	569,918	524,950
Current tax receivable		26	2,641
Derivative financial instruments	3j	598	862
Total current assets		951,183	831,088
Non-current assets			
Property, plant and equipment including Right-of-Use assets	3f / 3g	270,114	267,629
Investment properties	3h	2,900	2,900
Intangibles	3i	84,902	85,951
Deferred tax assets	2f	14,561	8,514
Derivative financial instruments	3j	540	317
Investments accounted for using the equity method	5b	2,763	2,665
Total non-current assets		375,780	367,976
Total assets		1,326,963	1,199,064
Current liabilities			
Payables	3c	238,067	217,943
Amounts payable to Riverina Rice Growers	3c	112,491	200,142
Borrowings including Lease Liabilities	4d / 3g	299,071	125,067
Current tax liabilities		16,664	2,953
Provisions	3d	30,575	25,437
Derivative financial instruments	3j	3,356	1,575
Total current liabilities		700,224	573,117
Non current liabilities			
Payables	3c	1,013	1,051
Borrowings including Lease Liabilities	4d / 3g	66,658	115,312
Provisions	3d	2,422	4,235
Total non-current liabilities		70,093	120,598
Total liabilities		770,317	693,715
Net assets		556,646	505,349
Equity			
Contributed equity	4e	152,526	142,478
Reserves	4f	(11,569)	(21,405)
Retained profits	4f	392,487	364,828
Capital & resources attributable to Ricegrowers Limited B Class shareholders		533,444	485,901
Non-controlling interests		23,202	19,448
Total equity		556,646	505,349

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Change in Equity

FOR THE YEAR ENDED 30 APRIL

		Attributable to Ricegrowers Limited B Class shareholders					
	Note	Contributed equity $000's	Reserves $000's	Retained Profits $000's	Total $000's	Non-controlling interests $000's	Total Equity $000's
Balance as at 1 May 2021		134,561	(5,546)	315,094	444,109	16,855	460,964
Profit for the year		-	-	47,553	47,553	1,174	48,727
Other comprehensive income for the year		-	10,901	-	10,901	1,419	12,320
Total comprehensive income for the year		-	10,901	47,553	58,454	2,593	61,047
Transactions with owners in their capacity as owners:							
Contribution of equity, net of transaction costs	4e	6,736	-	-	6,736	-	6,736
Share-based payments - issue of B Class Shares to employees	4f	1,181	(1,181)	-	-	-	-
Share-based payments - value of employee services	4f	-	2,874	-	2,874	-	2,874
Transfer of General reserve to Retained profits	4f	-	(28,453)	28,453	-	-	-
Dividends distributed	4a	-	-	(26,272)	(26,272)	-	(26,272)
		7,917	(26,760)	2,181	(16,662)	-	(16,662)
Balance as at 30 April 2022		142,478	(21,405)	364,828	485,901	19,448	505,349
Profit for the year		-	-	52,554	52,554	2,236	54,790
Other comprehensive income for the year		-	7,660	-	7,660	1,518	9,178
Total comprehensive income for the year		-	7,660	52,554	60,214	3,754	63,968
Transactions with owners in their capacity as owners:							
Contribution of equity, net of transaction costs	4e	7,012	-	-	7,012	-	7,012
Share-based payments - issue of B Class Shares to employees	4f	1,022	(1,022)	-	-	-	-
Share-based payments - value of employee services	4f	-	6,554	-	6,554	-	6,554
Issue of Treasury Shares	4f	2,014	(2,014)	-	-	-	-
Acquisition of Treasury Shares from employees	4f	-	(1,342)	-	(1,342)	-	(1,342)
Dividends distributed	4a	-	-	(24,895)	(24,895)	-	(24,895)
		10,048	2,176	(24,895)	(12,671)	-	(12,671)
Balance as at 30 April 2023		152,526	(11,569)	392,487	533,444	23,202	556,646

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

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 30 APRIL

	Note	2023 $000's	2022 $000's
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		1,644,807	1,299,565
Payments to suppliers (inclusive of goods and services tax)		(1,189,374)	(941,984)
Payments to Riverina Rice Growers		(319,607)	(179,913)
Payments of wages, salaries and on-costs		(168,084)	(142,040)
Interest received		306	151
Interest paid		(13,459)	(5,335)
Income taxes paid		(3,152)	(6,106)
Net cash (outflow) / inflow from operating activities	4c	(48,563)	24,338
Cash flows from investing activities			
Payments for property, plant and equipment and intangible assets		(20,093)	(16,598)
Proceeds from sale of property, plant and equipment		4,044	70
Payments for acquisition of businesses, net of cash acquired	5f	(253)	(37,517)
Net cash outflow from investing activities		(16,302)	(54,045)
Cash flows from financing activities			
Proceeds from borrowings		710,835	554,640
Repayment of borrowings		(586,665)	(498,342)
Principal element of leases		(4,531)	(3,532)
Payments to employees for Treasury Shares acquired through the Employee Share Sale Plan		(1,342)	-
Dividends paid to the company's B Class shareholders		(18,452)	(19,848)
Net cash inflow from financing activities		99,845	32,918
Net increase in cash and cash equivalents		34,980	3,211
Cash and cash equivalents at the beginning of the financial year		28,258	23,536
Effect of exchange rates changes on cash and cash equivalents		960	1,511
Cash and cash equivalents at the end of the financial year	4b	64,198	28,258

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

Notes to the Financial Statement

FOR THE YEAR ENDED 30 APRIL

1. Basis of preparation

Ricegrowers Limited (the Company) is a for-profit entity for the purpose of preparing financial statements.

The consolidated financial statements of the Company for the year ended 30 April 2023 comprise the Company and its subsidiaries (together referred to as the Group).

Amounts in the financial statements have been rounded off to the nearest thousand dollar, or in certain cases, to the nearest dollar, in accordance with ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191.

The general purpose financial statements included in this consolidated financial report:

- have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001;
- comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB); and
- have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) and investment property, which are measured at fair value.

New standards and amendments that applied to the Group for the first time for the annual reporting period commencing on 1 May 2022 did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

In addition, there are no new standards that are not yet effective and that are expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Significant accounting policies have been:

- included in the relevant note to which each policy relates, other than the accounting policy for foreign currency, set out on the next page; and
- have been consistently applied to all periods presented in these financial statements.

Judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions. This may affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in the following notes:

- Note 2f: Income taxes – Recognition of deferred tax assets relating to tax losses available for future use
- Note 3a: Receivables – determination of loss allowances
- Note 3b and 3c: Inventories and Amounts payable to Riverina Rice growers – Estimation of raw materials inventory value and amounts payable to Riverina rice growers
- Note 3f and 3i: Property, plant and equipment and Intangibles – Impairment of non-current assets (including goodwill)
- Note 3d and 4j: Provisions and Contingent liabilities – recognition and measurement of provisions and contingent liabilities

Foreign currency

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The consolidated financial statements are presented in Australian dollar ($), which is Ricegrowers Limited's functional and presentation currency.

Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

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 year end exchange rates are generally recognised in the consolidated income statement. They are deferred in equity if they relate to qualifying cash flow hedges or are attributable to part of the net investment in a foreign operation.

All other foreign exchange gains and losses are presented in the consolidated income statement on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income and presented in a foreign currency translation reserve in equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income.

When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to the consolidated income statement, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2. Group Performance

This section explains the results and performance of the Group for the year, including segment information, earnings per B Class Share and taxation. Further information and analysis of performance and financial position is available in the Our Strategy in Action. Our Financial Performance and Position and Out Outlook sections of this Annual Report on pages 15 to 27.

2.a. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Corporate Management Team.

The Corporate Management Team examines the Group's financial performance from a product and service perspective under 6 reportable segments. In aggregating operating segments into reportable segments, the Group has considered the requirements of the accounting standards and notably the existence of similarities in economic characteristics, nature of products, markets and customers.

Rice Pool

The receival, milling, marketing and distribution of Riverina rice, directly to customers across many channels. This includes supplying Australian markets and exporting Riverina rice to global markets (including tender markets) across the Middle East, Asia Pacific, the U.S and Europe. The Rice Pool also supplies some of the Group's local business units and global subsidiaries, which can purchase rice or by-products from the Rice Pool at commercial prices to use in their manufacturing processes or sell in their local markets, depending on availability.

In years where sufficient volume of rice is produced in the Riverina to achieve a naturally determined Paddy Price, the Rice Pool is at equilibrium, generating no residual profit or loss impacting the Group's profitability.

International Rice

The purchasing (including from the Rice Pool), processing, manufacturing, marketing and distribution of bulk or branded rice products through intermediaries to consumers, food service and processing customers in global markets (including tender markets) and the Australian market, where the varieties cannot be grown in Australia, including during times of low water availability.

International Rice is an aggregation of the main following operating segments:

- The Global Trading arm of the Group (Ricegrowers Singapore), which sources and sells bulk or branded rice products in Australia or overseas and in tender markets.
- Trukai, SolRice, SunFoods, Ricegrowers Vietnam, Ricegrowers New Zealand and Ricegrowers Middle East, which are separate legal entities that distribute or support the distribution of rice products either in their respective local markets or internationally. SunFoods and Ricegrowers Vietnam also mill and/or pack locally sourced rice.

The nature of products manufactured, the distribution process and the type of customers are comparable between these segments. The economic characteristics of the larger operating segments, measured by their gross margin, is also largely comparable when considering past and expected performance.

International rice also includes Aqaba Processing Company (a packing facility in Jordan), the Group's research and development Company (Rice Research Australia) and the Brandon business in North Queensland. These operating segments present different performance profiles, but it is the Group's assessment that this does not materially impact the aggregated reportable segment due to the small contribution of these operating segments to International Rice.

Rice Food

The importation, local manufacturing, marketing and distribution of value-added rice-based products, including snacks, ingredients and microwave products, both in domestic and global markets.

This reportable segment is an aggregation of the Rice Cakes, Rice Flour, Rice Chips and Microwave Rice operating segments, which have similar economic characteristics, including their gross margin.

Riviana Foods (Riviana)

The distribution of both imported and locally manufactured branded specialty gourmet and special occasions food products to retail and food service customers in Australia and export markets.

CopRice

The manufacture (in both Australia and New Zealand) and distribution of bulk stockfeed to primary producers and branded packaged stockfeed and companion animal feed products through retail and wholesale channels to customers across Australia, New Zealand and other export markets.

Corporate

The Corporate segment captures the income and cost of holding and financing assets (property, plant and equipment and brands) that it owns and are used by both the Rice Pool and the other segments. This includes intersegment charges for the use of SunRice brands (Brand Charges) and access to milling, packing, storage and warehousing assets (Asset Financing Charges).

It also captures income and cost items that are not allocated to other business segments due to their Group corporate and/or non-recurring nature.

Australian Grain Storage is also aggregated into the Corporate segment.

From time to time, the Corporate segment receives dividends from the Group's subsidiaries which can form part of other segments of the Group. To provide a more representative view of the underlying activities of this segment, the reported Net Profit Before Tax for the Corporate segment is presented after dividend elimination.

2.a. Operating segments (continued)

Recognition and measurement

Sales between segments are carried out at arms length and are eliminated on consolidation.

Revenue from external customers (which is entirely recognised at a point in time), assets and liabilities are measured in a manner consistent with that of the financial statements.

Segment net assets comprise assets and liabilities that are measured in a manner consistent with that of the financial statements. Segment net assets for the purposes of segment reporting consist of the sum of property, plant and equipment (including right-of-use assets), intangibles, receivables, inventories, current payables and provisions and amounts payable to Riverina Rice Growers.

Items of property, plant and equipment are allocated to the segment that owns the assets as opposed to the segment that uses those assets. As a result, items of property, plant and equipment used by the Rice Pool segment are allocated to the Corporate segment.

Segment performance

2023	Rice Pool $000's	International Rice $000's	Rice Food $000's	Riviana $000's	CopRice $000's	Corporate $000's	Total $000's
Total segment revenue	448,951	735,541	112,959	215,388	236,133	40,331	1,789,303
Inter-segment revenue	(113,604)	(543)	-	(357)	(12)	(40,331)	(154,847)
Revenue from external customers	335,347	734,998	112,959	215,031	236,121	-	1,634,456
Other revenue							3,567
Revenue from continuing operations							1,638,023
EBITDA	-	39,882	11,065	6,313	12,395	47,310	116,965
Profit before income tax	-	27,797	9,028	4,677	5,529	22,668	69,699
Depreciation and amortisation	-	(8,298)	(1,558)	(1,159)	(5,280)	(12,049)	(28,344)
Impairment	-	-	-	-	-	(5,218)	(5,218)
Segment net assets	219,065	241,856	36,643	112,754	122,218	117,611	850,147
Receivables							306,346
Inventories							569,918
Payables (current)							(238,067)
Amounts Payable to Riverina Rice Growers							(112,491)
Provisions (current)							(30,575)
Property, plant and equipment including Right-of-Use assets							270,114
Intangibles							84,902
Segment net assets							850,147

The Corporate segment's Profit Before Income Tax includes the impact of the Group's strategic review of its non-core assets, including income of $3,342,000 (2022: Nil) generated on the sale of a number of properties in Papua New Guinea and impairment charges relating to non-strategic and/or underutilised assets (including goodwill) across the Group, totaling $5,218,000 (2022: $58,000).

These items have not been allocated to the underlying segment they relate to, in order not to distort the presentation of the operational performance of these segments.

2.a. Operating segments (continued)

2022	Rice Pool $000's	International Rice $000's	Rice Food $000's	Riviana $000's	CopRice $000's	Corporate $000's	Total $000's
Total segment revenue	286,784	621,070	106,431	196,782	161,095	32,826	1,404,988
Inter-segment revenue	(40,683)	(152)	-	(277)	-	(32,826)	(73,938)
Revenue from external customers	246,101	620,918	106,431	196,505	161,095	-	1,331,050
Other revenue							3,343
Revenue from continuing operations							1,334,393
EBITDA	-	43,590	7,900	14,003	(510)	26,360	91,343
Profit before income tax	-	34,217	5,896	12,467	(5,512)	12,600	59,668
Depreciation and amortisation	-	(7,954)	(1,679)	(1,325)	(4,185)	(10,999)	(26,142)
Impairment	-	-	-	-	-	(58)	(58)
Segment net assets	131,283	214,989	29,290	91,329	118,104	110,049	695,044
Receivables							260,036
Inventories							524,950
Payables (current)							(217,943)
Amounts Payable to Riverina Rice Growers							(200,142)
Provisions (current)							(25,437)
Property, plant and equipment including Right-of-Use assets							267,629
Intangibles							85,951
Segment net assets							695,044

The Corporate Management Team evaluates results based on Profit Before Income Tax. It also uses EBITDA to assess the performance of the segments, which is defined as earnings before net finance costs (asset financing charges are not considered a finance cost/income for the purpose of the EBITDA calculation), tax, depreciation, amortisation and impairment. Below is a reconciliation of EBITDA to profit before income tax.

	2023 $000's	2022 $000's
EBITDA prior to Brand and Asset Financing charges	87,540	72,761
Brand and Asset Financing charges earned *	29,425	18,582
EBITDA	116,965	91,343
Finance costs - net	(13,704)	(5,475)
Depreciation and amortisation expense	(28,344)	(26,142)
Impairment	(5,218)	(58)
Profit before income tax	69,699	59,668

* The Corporate segment earns brand and asset financing charges from the Rice Pool. In Pool years (such as 2023 and 2022), these charges are fully absorbed by the Rice Pool and contribute to the naturally determined Paddy Price. The corresponding income is reflected in the Corporate segment and results in a net benefit to the Group Net Profit Before Tax (2023: benefit of $29,425,000 and 2022: benefit of $18,582,000).

Geographical areas

	2023 $000's	2022 $000's
Australia and New Zealand (ANZ)	754,624	639,468
Pacific Islands (including Papua New Guinea)	341,998	302,861
Middle East	201,632	136,902
USA	179,393	148,048
Other	156,809	103,771
Revenue from external customers	1,634,456	1,331,050

2.a. Operating segments (continued)

Revenues are allocated based on the geographical area in which the customer is located.

No single external customer represents more than 10% of revenue in the 2023 financial reporting period (2022: none).

The value of non-current assets (excluding deferred tax assets) located in Australia is $292,001,000 (2022: $291,620,000) and $69,218,000 (2022: $67,842,000) in other countries.

2.b. Revenue

	2023 $000's	2022 $000's
Sales revenue		
Sale of goods - recognised at a point in time	1,634,456	1,331,050
Other revenue		
Interest received	306	151
Other sundry items	3,261	3,192
	3,567	3,343
Total revenue from continuing operations	1,638,023	1,334,393

Recognition and measurement

Sale of goods

Sales are recognised when control of the products has transferred, being when the products are delivered to the customer and the customer has full discretion over the channel and price to on-sell the products. Delivery occurs when the products are available at the specific and agreed location, the risks of obsolescence and loss have been transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Goods are often sold with discounts. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated discounts. Accumulated experience and the expected value method are used to estimate and provide for the discounts and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in payables) is recognised for expected discounts payable to customers in relation to sales made until the end of the reporting period.

No element of financing is deemed present as the sales are generally made with a credit term of less than 60 days.

A receivable is recognised when the products are delivered (with the meaning of delivery defined previously) as this is the point in time that the consideration is unconditional, because only the passage of time is required before the payment is due.

Interest income

Interest income on financial assets at amortised cost is calculated using the effective interest method.

Revenue from other sundry items

Revenue from other sundry items is derived from grants received from the government and other ad-hoc services provided by the Group.

Grants from the government are recognised at their fair value, where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised as income over the period necessary to match them with the costs that they are intended to compensate.

Revenue from the provision of other ad-hoc services is recognised in the accounting period in which the services are performed.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

2.c. Other income

	2023 $000's	2022 $000's
Net foreign exchange gains	-	1,585
Net gain on disposal of property, plant and equipment	3,342	-
Total other income	3,342	1,585

2.d. Expenses

Profit before income tax includes the following specific expenses.

	2023 $000's	2022 $000's
Contributions to employee superannuation plans	(10,188)	(8,065)
Other expenses		
Contracted services	(30,365)	(30,739)
Advertising and artwork	(29,442)	(23,789)
Energy	(20,872)	(16,969)
Repairs and maintenance	(14,094)	(11,067)
Insurance	(10,909)	(8,943)
Equipment hire and other rental expense (not qualifying as leases)	(11,748)	(10,664)
Motor vehicle and travelling expenses	(8,785)	(3,652)
Staff recruitment	(4,201)	(3,281)
Internet, telephone and fax	(2,552)	(2,640)
Research and development	(1,868)	(1,338)
Net foreign exchange losses	(1,380)	-
Net loss on disposal of property, plant and equipment	-	(349)
Other	(19,201)	(16,346)
Total other expenses	(155,417)	(129,777)

2.e. Earnings per B Class Share

	2023 Cents	2022 Cents
Basic earnings per B Class share	83.8	77.2
Diluted earnings per B Class share	82.5	77.0

Reconciliation of earnings per B Class Share

	2023 $000's	2022 $000's
Profit for the year attributable to Ricegrowers Limited B Class Shareholders	52,554	47,553
Weighted average number of B Class Shares for Basic earnings per B Class Share*	62,738	61,573
Adjustment for dilutive B Class Share Rights	953	178
Weighted average number of B Class Shares adjusted for the effect of dilution*	63,691	61,750

* The weighted average number of B Class Shares for basic and diluted earnings per B Class Share takes into account the weighted average effect of changes in Treasury Shares during the year.

2.e. Earnings per B Class Share (continued)

Recognition and measurement

Basic earnings per B Class Share

Basic earnings per B Class Share is calculated by dividing:

- the profit attributable to B Class shareholders of the company
- by the weighted average number of B Class Shares outstanding during the financial year, excluding treasury shares

Diluted earnings per B Class Share

Diluted earnings per B Class Share adjusts the figures used in the determination of basic earnings per B Class Share to take into account the weighted average number of additional B Class Shares that would have been outstanding assuming the conversion of all dilutive potential B Class Shares

2.f. Income taxes

Income tax expense

	2023 $000's	2022 $000's
Current tax expense	(19,846)	(5,316)
Deferred tax benefit / (expense)	5,107	(5,875)
Adjustments for income tax of prior periods	(170)	250
Income tax expense attributable to profit from continuing operations	(14,909)	(10,941)
Deferred income tax benefit / (expense) included in income tax expense comprises:		
Increase / (Decrease) in deferred tax assets	6,273	(5,266)
Increase in deferred tax liabilities	(1,166)	(609)
	5,107	(5,875)

Numerical reconciliation of income tax expense to prima facie tax payable

	2023 $000's	2022 $000's
Profit from continuing operations before related income tax	69,699	59,668
Income tax expense calculated at the Australian rate of tax of 30% (2022: 30%)	(20,910)	(17,900)
Tax effect of amounts which are not taxable / (deductible) in calculating taxable income:		
Share-based payment	565	163
Research & development	105	52
Overseas attributable income	(2,188)	(830)
Impairment of assets	(404)	-
Difference in overseas tax rates	5,389	6,463
Sundry items	(601)	(673)
	2,866	5,175
Tax effect of previously unrecognised tax losses recouped	3,305	1,534
Adjustments for income tax of prior periods	(170)	250
Income tax expense	(14,909)	(10,941)

Tax relating to items of other comprehensive income

	2023 $000's	2022 $000's
Cash flow hedges	792	582

2.f. Income taxes (continued)

Deferred tax assets

	2023 $000's	2022 $000's
The balance comprises temporary differences attributable to:		
Provisions	9,061	8,791
Accruals	5,667	4,672
Depreciation	3,677	2,777
Lease Liabilities	5,506	3,808
Foreign exchange	191	89
Inventories	4,691	3,167
Share based payments	2,279	1,162
Other	225	248
	31,297	24,714
Derivatives - cash flow hedges	834	185
Total deferred tax assets	32,131	24,899
Set-off of deferred tax liabilities pursuant to set-off provisions	(17,570)	(16,385)
Net deferred tax assets	14,561	8,514

Movements	2023 $000's	2022 $000's
Opening balance at 1 May	24,899	29,613
Credited / (Debited) to income statement	6,273	(5,266)
Foreign exchange differences on translation	310	365
Credited to other comprehensive income	649	12
Business combination	-	175
Closing balance at 30 April	32,131	24,899

Significant estimates and judgements

Recognition of deferred tax assets relating to capital and ordinary losses available for future use

The Group does not recognise deferred tax assets for capital losses, as the Group does not believe it is probable that taxable capital gains will generally arise against which capital losses can be utilised.

The Group has not recognised deferred tax assets of $3,976,000 (2022: $7,281,000) for ordinary tax losses available in some of the jurisdictions in which it operates, as the Group considers there remains uncertainty in the ability of the subsidiaries located in these jurisdictions to generate enough future taxable profits against which these losses can be utilised. The Group will continuously reassess this position should conditions in these jurisdictions improve in a sustainable manner.

Tax consolidation legislation

Ricegrowers Limited and its wholly owned Australian controlled entities have adopted the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements. Both the head entity and the subsidiaries will continue to recognise deferred tax balances. All current tax balances will be assumed by the head entity. Any deferred tax assets arising from unused tax losses and unused tax credits will also be recognised in the head entity.

Investment allowances and similar incentives

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (eg the Research and Development Tax Incentive regime in Australia or other investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense.

2.f. Income taxes (continued)

Deferred tax liabilities

	2023 $000's	2022 $000's
The balance comprises temporary differences attributable to:		
Inventories	2,842	2,914
Depreciation	1,478	1,017
Right-of-use-assets	5,228	3,507
Investment property	870	870
Foreign exchange	439	579
Brands acquired through business combination	6,526	6,897
Other	178	449
	17,561	16,233
Derivatives - cash flow hedges	9	152
Total deferred tax liabilities	17,570	16,385
Set-off of deferred tax liabilities pursuant to set-off provisions	(17,570)	(16,385)
Net deferred tax liabilities	-	-

Movements	2023 $000's	2022 $000's
Opening balance at 1 May	16,385	13,689
Debited to income statement	1,166	609
Foreign exchange difference on translation	162	163
Credited to other comprehensive income	(143)	(570)
Business combination	-	2,494
Closing balance at 30 April	17,570	16,385

Recognition and measurement

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable tax rate for each jurisdiction in which the Group operates, adjusted for changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses and/or unclaimed tax credits, where they are recognised.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income.

The Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses (and/or unclaimed tax credits) only if it is probable that future taxable amounts will be available to utilise those temporary differences, losses and credits. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to offset, the balances relate to the same taxation authority and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3. Operating assets and liabilities

This section provides details of the Group's operating assets used and liabilities incurred in generating the Group's trading activities.

3.a. Receivables

	2023 $000's	2022 $000's
Current		
Trade receivables	294,265	247,119
Loss allowance	(3,980)	(3,771)
	290,285	243,348
Other receivables	4,407	1,753
GST receivable	4,651	10,285
Prepayments	7,003	4,650
Total receivables	306,346	260,036

Significant estimates and judgements

Loss allowance

Trade receivables for sales of goods are subject to the expected credit loss model. The Group applies the AASB 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 12 months prior to the balance sheet date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Additional allowances are also taken where specific and known risks have been identified for some customers.

As a result, the loss allowance for trade receivables was determined as follows:

30 April 2023	Current	0 to 30 days past due	31 to 60 days past due	61 to 90 days past due	Greater than 90 days past due	Total
Expected loss rate (inclusive of specific known risks)	0.1%	0.2%	0.6%	2.2%	31.2%	
Gross carrying amount of trade receivables - $000's	194,914	56,027	22,580	10,131	10,613	294,265
Loss allowance - $000's	196	114	145	218	3,307	3,980
30 April 2022						
Expected loss rate (inclusive of specific known risks)	0.1%	0.2%	0.9%	2.3%	51.7%	
Gross carrying amount of trade receivables - $000's	183,430	41,614	11,429	4,204	6,442	247,119
Loss allowance - $000's	179	66	99	98	3,329	3,771

The directors are satisfied that debtors are fairly valued with respect to credit risk.

Of the total trade receivables outstanding at 30 April 2023, 66% (2022: 74%) are current and 34% (2022: 26%) are overdue.

The directors have no reason to believe that amounts not provided for will not be collected in full in a subsequent period.

The closing loss allowances for trade receivables at the balance sheet date reconcile to the opening loss allowances as follows:

	2023 $000's	2022 $000's
At 1 May	3,771	2,947
Loss allowance recognised during the year	938	622
Receivables written off during the year as uncollectible	(915)	(55)
Foreign currency differences on translation	186	257
At 30 April	3,980	3,771

3.a. Receivables (continued)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a customer to engage in a repayment plan with the Group, a significant amount of days past due (generally more than 6 months), or information about the customer entering bankruptcy or financial reorganisation.

Loss allowances on trade receivables are presented within other expenses. Subsequent recoveries of amounts previously written off are credited against the same line item.

Recognition and measurement

Trade receivables

Trade receivables are amounts due from customers for products sold in the ordinary course of business. They are generally due for settlement within 30 to 60 days from the date of recognition and are therefore all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

Goods and Services Tax (GST)

Receivables are stated inclusive of the amount of GST receivable.

The net amount of GST recoverable from, or payable to, the taxation authority is included within GST receivable or trade and other payables.

Risk exposure

Information about the Group's exposure to foreign exchange risk and credit risk is provided in note 4g, with further details around the loss allowance available on the previous page.

3.b. Inventories

	2023 $000's	2022 $000's
Raw materials	329,296	364,602
Finished goods	205,763	132,455
Packaging materials	18,566	13,414
Engineering and consumable stores	16,293	14,479
Total inventories	569,918	524,950

Significant estimates and judgements

Raw materials inventory and associated amounts payable to Riverina Rice Growers

The valuation of paddy rice included in raw materials inventory and the associated amounts payable to Riverina Rice Growers generally require an assumption of the paddy price for the relevant pool. This assumption is based on the Directors' most recent estimate of the performance of the Rice Pool business and the relevant fixed price contracts that may be applicable to any given crop year.

Recognition and measurement

Raw materials, finished goods, packaging materials and engineering and consumables stores have been valued on the basis of the lower of cost or net realisable value.

Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of inventory but excludes borrowing costs.

Cost in relation to processed inventories comprises direct materials, direct labour and an appropriate allowance for milling, fixed and variable overheads less by-products with recovery on the basis of normal operating capacity.

Net realisable value is the estimated selling price in the normal course of business less the estimated costs of completion and estimated costs necessary to make the sale.

Raw materials, finished goods, packaging materials and engineering and consumable stores inventory are determined from a combination of weighted average purchase price and standard costs and after deducting rebates and discounts.

3.c. Payables and amounts payable to Riverina Rice Growers

	2023 $000's	2022 $000's
Current		
Trade and other payables	238,067	217,943
Amounts payable to Riverina Rice Growers	112,491	200,142
	350,558	418,085
Non-current		
Trade and other payables	1,013	1,051
	1,013	1,051

Recognition and measurement

Trade and other payables

Trade payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 1 to 92 days of recognition, depending on the business practices in the various jurisdictions in which the Group operates and the size of the supplier. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Amounts payable to Riverina Rice Growers

Amounts payable to Riverina Rice Growers comprise the balance of pool and fixed price contracts payments owed to growers for the current crop year, where applicable. They also comprise the next crop year's pool or fixed price contracts payments where paddy rice for the next crop year is received before the end of the financial year.

The portion of the payable in respect of the current crop year is based on the final paddy price for that year (or applicable fixed price). The portion in respect of paddy rice received for the next crop year is based on the Directors' most recent estimate of the performance of the Rice Pool business and the relevant fixed price contracts applicable to that year.

Amounts payable to Riverina rice growers are classified as current liabilities when they fall due within the normal operating cycle of the Group, which can be longer than 12 months after the end of the reporting period.

Paddy Pay

The Group pays its Riverina Rice Growers via multiple instalments over time in order to better align payments for the rice received in any crop year with the relevant proceeds generated from selling this rice. Riverina Rice Growers have the opportunity to opt for a supply financing program (Paddy Pay) giving them access to early payment of a proportion of the total balances payable at a discounted price. Under this facility, the Group continues to pay all its outstanding grower balances payable in accordance with its standard payment terms but does so to the financial institution and for the undiscounted price for those payments.

The group has determined that the terms of the eligible balances are otherwise substantially unchanged and that it is therefore appropriate to continue to present the relevant amounts within amounts payable to Riverina Rice Growers in the Consolidated Balance Sheet, together with balances payable directly to Riverina Rice Growers. On a similar basis, cash flows associated with the eligible balances and which are remitted to the financier continue to be disclosed as operating cash flows as opposed to financing cash flows. At 30 April 2023, amounts payable to Riverina Rice Growers subject to the Paddy Pay program amounted to $12,100,000 (30 April 2022: $59,435,000).

Supplier Finance

Some of the Group's suppliers are eligible to have access to an early payment facility offering them the opportunity to receive funds earlier than the standard payment terms at a discounted rate. Under this facility, the Group repays the financier based on the standard payment terms negotiated with the supplier and is no longer able to make earlier direct payments to the supplier nor to offset any of the eligible payables against credit notes received from the supplier.

However, the group has determined that the terms of the eligible trade payables are otherwise substantially unchanged and that it is therefore appropriate to continue to present the relevant amounts within trade and other payables in the Consolidated Balance Sheet, together with balances payable directly to suppliers on standard payment terms. On a similar basis, cash flows associated with the eligible balances and which are remitted to the financier are disclosed as operating cash flows as opposed to financing cash flows. At 30 April 2023, the portion of trade and other payables subject to a supplier finance arrangement amounted to $10,700,000 (30 April 2022: $9,341,000).

Risk exposure

Information about the Group's exposure to foreign exchange risk is provided in note 4g.

3.d. Provisions

	2023 Current $000's	2023 Non-current $000's	2023 Total $000's	2022 Current $000's	2022 Non-current $000's	2022 Total $000's
Employee benefits (note 3e)	30,508	1,989	32,497	25,338	3,815	29,153
Employee allowances	42	-	42	74	-	74
Directors' retirement benefits	25	-	25	25	-	25
Make good	-	433	433	-	420	420
Total provisions	30,575	2,422	32,997	25,437	4,235	29,672

	Employee benefits $000's	Employee allowances $000's	Directors' retirement benefits $000's	Make good $000's	Total $000's
Carrying amount at 1 May 2021	25,788	88	75	408	26,359
Additional provision recognised and unwinding of discount	2,561	-	-	12	2,573
Amount used during the year	-	(14)	(50)	-	(64)
Business combination	804	-	-	-	804
Carrying amount at 30 April 2022	29,153	74	25	420	29,672
Additional provision recognised and unwinding of discount	3,344	-	-	13	3,357
Amount used during the year	-	(32)	-	-	(32)
Carrying amount at 30 April 2023	32,497	42	25	433	32,997

Significant estimates and judgements

Provisions and contingent liabilities

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities.

Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Due to the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provisions.

Recognition and measurement

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the Group's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense and any change in the underlying provision amount is recognised in profit or loss.

3.e. Employee benefits

Leave obligations

Employee benefits include leave obligations which cover the Group's liabilities for long service leave and annual leave, which are classified as either other long-term benefits or short-term benefits. The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees that are entitled to pro-rata payments in certain circumstances. These amounts are presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations.

However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months but for which the obligation is presented as current:

	2023 $000's	2022 $000's
Current leave obligations expected to be settled after 12 months	4,438	3,899

Recognition and measurement

Short term obligations

Liabilities for wages and salaries, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liabilities are presented as current employee benefit obligations.

Long term obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience, adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current employee benefit obligations if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Superannuation plan contributions

Contributions to employee superannuation plans are charged as an expense as the contributions are paid or become payable.

Incentive plans

The Group recognises a liability and an expense for short term cash incentives based on a formula that takes into consideration financial performance metrics for the Group and the eligible employees' personal performance indicators. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

For share based incentive plans, refer to note 6b.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates:

- when the Group can no longer withdraw the offer of those benefits; and
- when the entity recognises costs for a restructuring that is within the scope of AASB 137 and involves the payment of terminations benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

3.f. Property, plant and equipment

2023	Land & Buildings $000's	Leasehold Improvements $000's	Plant & Equipment $000's	Assets under Construction $000's	Right of Use Assets $000's	Totals $000's
Cost	268,171	13,415	348,385	12,785	37,962	680,718
Accumulated depreciation and impairment	(143,509)	(6,007)	(241,762)	-	(19,326)	(410,604)
Carrying amount	124,662	7,408	106,623	12,785	18,636	270,114
Carrying amount at 1 May 2022	126,516	7,332	112,960	7,341	13,480	267,629
Additions	-	-	-	17,948	-	17,948
Recognition of right-of-use-asset	-	-	-	-	9,818	9,818
Additions through business combinations	-	-	1,032	-	-	1,032
Capital works in progress reclassifications	2,282	238	9,822	(12,342)	-	-
Transfers (including to intangible assets) / disposals / scrapping	(18)	(177)	(507)	(335)	-	(1,037)
Depreciation expense	(5,332)	(445)	(14,720)	-	(4,901)	(25,398)
Impairment	(96)	-	(3,775)	-	-	(3,871)
Foreign exchange difference on translation	1,310	460	1,811	173	239	3,993
Carrying amount at 30 April 2023	124,662	7,408	106,623	12,785	18,636	270,114

2022	Land & Buildings $000's	Leasehold Improvements $000's	Plant & Equipment $000's	Assets under Construction $000's	Right of Use Assets $000's	Totals $000's
Cost	263,776	12,767	338,584	7,341	27,678	650,146
Accumulated depreciation and impairment	(137,260)	(5,435)	(225,624)	-	(14,198)	(382,517)
Carrying amount	126,516	7,332	112,960	7,341	13,480	267,629
Carrying amount at 1 May 2021	121,011	6,852	102,800	16,292	15,393	262,348
Additions	-	-	-	16,156	-	16,156
Recognition of right-of-use-asset	-	-	-	-	2,050	2,050
Additions through business combination	3,700	-	4,299	203	-	8,202
Capital works in progress reclassifications	5,534	268	18,847	(24,649)	-	-
Transfers (including to intangible assets) / disposals / scrapping	(15)	(12)	(865)	(780)	(418)	(2,090)
Depreciation expense	(5,040)	(279)	(14,264)	-	(3,895)	(23,478)
Impairment	-	-	(58)	-	-	(58)
Foreign exchange difference on translation	1,326	503	2,201	119	350	4,499
Carrying amount at 30 April 2022	126,516	7,332	112,960	7,341	13,480	267,629

Significant estimates and judgements

Impairment

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that their 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, where applicable. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units - CGU). Specific circumstances impacting individual assets within those cash generating units are also considered.

The recoverability of the Group's assets is generally dependent on the Group's ability to continuously innovate, improve manufacturing efficiency, increase the volume of throughput and improve product mix in order to meet growth targets. It is also dependent on general economic conditions, including general inflation and movement in foreign exchange rates. In addition, it is subject to short and long term weather patterns in the Riverina and other agricultural regions in which the Group operates and could be impacted by a prolonged period of drought conditions or alternatively by a prolonged period of wetter than normal conditions.

3.f. Property, plant and equipment (continued)

Any fair value less cost of disposal estimates are based on market-available data and various other assumptions. Changes in economic and operating conditions impacting these judgmental assumptions could result in the recognition of impairment charges in future periods. The Group will continue to closely monitor the performance of the cash generating units.

Assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Recognition and measurement

Freehold land is held at cost and is not depreciated. In some countries, the Group also holds land use rights. These rights are stated at historical cost less depreciation and are depreciated over the period of time that they have been granted by the local authorities using the straight line method.

Right-of-use assets are recognised and measured based on the principles detailed in note 3g.

Other items of property, plant and equipment are stated at historical cost less depreciation and are depreciated over their estimated useful lives using the straight line method.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

Government grants relating to the purchase of property, plant and equipment are presented by deducting the grant in arriving at the carrying amount of the asset.

All other repairs and maintenance costs are charged to profit or loss during the reporting period in which they are incurred.

The expected useful lives are as follows:

Land use rights	Term of the land use right
Buildings	25 to 50 years
Leasehold improvements	Shorter of 7 to 15 years or lease term
Plant and equipment	3 to 20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in other income or other expenses.

Assets pledged as security

There is a fixed and floating charge over fixed assets as disclosed in note 4d.

3.g. Leases (where the Group is a lessee)

Amounts relating to leases recognised in the Consolidated Balance Sheet

	Notes	2023 $000's	2022 $000's
Right-of-use assets (included in property, plant and equipment)			
Land & Buildings	3f	17,124	11,886
Plant & Equipment	3f	1,512	1,594
		18,636	13,480
Lease liabilities (included in borrowings)			
Current	4d	4,933	3,182
Non-current	4d	14,768	10,959
		19,701	14,141

3.g. Leases (where the Group is a lessee (continued)

Amounts relating to leases recognised in the Consolidated Income Statement

	2023 $000's	2022 $000's
Depreciation charge of right-of-use assets		
Land & Buildings	3,800	2,353
Plant & Equipment	1,101	1,542
	4,901	3,895
Other expense items		
Interest expense on lease liabilities (included in finance costs)	687	421
Expense relating to short-term leases (included in equipment hire and other rental expense)	3,145	1,829
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in equipment hire and other rental expense)	8	110

Amounts relating to leases recognised in the consolidated Cash Flow Statement

The total cash outflow for leases in cash flows from financing activities during the year was $4,531,000 (2022: $3,532,000).

The Group's leasing activities and how these are accounted for

The Group leases various offices, warehouses, equipment and motor vehicles. Rental contracts are typically made for fixed periods of 3 to 7 years but may have extension options as described in (i) on the next page. Contracts may contain both lease and non-lease components. However, the Group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor, but leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and;
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, and
- makes adjustments specific to the lease, eg term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Group entities use that rate as a starting point to determine the incremental borrowing rate.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

3.g. Leases (where the Group is a lessee (continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and,
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The Group does not revalue right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

(i) Treatment of extension and termination options

Extension and termination options are included in a number of Land & Buildings leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The following factors are normally the most relevant:

- If there are significant penalty payments to terminate (or not extend), the group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the group is typically reasonably certain to extend (or not terminate).
- Otherwise, the group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

(ii) Residual value guarantees

To optimise lease costs during the contract period, the Group sometimes provides residual value guarantees in relation to equipment leases.

The group initially estimates and recognises amounts expected to be payable under residual value guarantees as part of the lease liability. Typically the expected residual value at lease commencement is equal to or higher than the guaranteed amount, and so the group does not expect to pay anything under the guarantees.

At the end of each reporting period, the expected residual values are reviewed to reflect actual residual values achieved on comparable assets and expectations about future prices.

3.h. Investment property

At fair value	2023 $000's	2022 $000's
Investment Property	2,900	2,900

Recognition and measurement

Investment property comprises freehold land that was previously owner occupied. Owner occupation ceased and the property is now classified as "Investment property" as it is held for long term capital appreciation.

The property is carried at fair value, representing the open-market value as determined by external valuers. Changes in fair value are recorded in other income or other expenses.

3.i. Intangibles

2023	Goodwill $000's	Brands $000's	Software $000's	Other $000's	Total $000's
Cost	58,144	34,367	13,509	2,215	108,235
Accumulated amortisation and impairment	-	(12,217)	(10,821)	(295)	(23,333)
Carrying amount	58,144	22,150	2,688	1,920	84,902
Carrying amount at 1 May 2022	58,765	23,757	3,116	313	85,951
Additions	-	-	221	1,924	2,145
Additions through business combinations (note 5f)	726	-	-	-	726
Transfers (including from property, plant and equipment) / disposals / scrapping	-	-	335	-	335
Impairment	(1,347)	-	-	-	(1,347)
Amortisation charge	-	(1,645)	(984)	(317)	(2,946)
Foreign exchange difference on translation	-	38	-	-	38
Carrying amount at 30 April 2023	58,144	22,150	2,688	1,920	84,902
2022					
Cost	58,765	33,990	12,907	1,593	107,255
Accumulated amortisation and impairment	-	(10,233)	(9,791)	(1,280)	(21,304)
Carrying amount (restated*)	58,765	23,757	3,116	313	85,951
Carrying amount at 1 May 2021	38,229	16,727	3,277	282	58,515
Additions	-	-	152	290	442
Additions through business combination (restated*)	20,536	8,315	-	-	28,851
Transfers (including from property, plant and equipment) / disposals / scrapping	-	-	780	-	780
Amortisation charge	-	(1,312)	(1,093)	(259)	(2,664)
Foreign exchange difference on translation	-	27	-	-	27
Carrying amount at 30 April 2022	58,765	23,757	3,116	313	85,951

* The amount of goodwill has been adjusted to reflect the final fair value of assets and liabilities acquired as part of the Pryde's Easifeed transaction in 2022 (accounting for this acquisition was still provisional at 30 April 2022 – see further details in note 5f).

Goodwill (specific to each cash generating unit (CGU) and allocated to the following segments)

	2023 $000's	2022 $000's
Riviana Foods	37,574	36,848
CopRice	20,536	21,883
Other	34	34
Total Goodwill	58,144	58,765

The recoverable amount of a CGU is determined based on value-in-use calculations, which generally use 5-year cash flow projections based on financial budgets approved by the Board for the forthcoming year and management forecasts for the years thereafter. Cash flows beyond the explicit period of projection are extrapolated using estimated long-term growth rates which are generally determined based on publicly available inflation forecasts in the country of the CGU. The discount rates used are based on the Group's geographical weighted average cost of capital, adjusted for CGU-specific risks, to the extent those risk components are not already included in cash flow forecasts.

Significant judgement and assumptions used for value in use calculations

	Long-term Growth Rate		Pre Tax Discount Rate	
	2023 %	2022 %	2023 %	2022 %
Riviana Foods	2.5	1.5	13.3	10.1
CopRice	2.5	1.5	14.1	10.6

3.i. Intangibles (continued)

Sensitivity to changes in assumptions

The recoverability of the Group's assets (including goodwill) is generally dependent on the Group's ability to continuously innovate, improve manufacturing efficiency, increase the volume of throughput and improve product mix in order to meet growth targets. It is also dependent on general economic conditions, including general inflation and movement in foreign exchange rates. In addition, it is subject to short and long term weather patterns in the Riverina and other agricultural regions in which the Group operates and could be impacted by a prolonged period of drought conditions or alternatively by a prolonged period of wetter than normal conditions.

In 2023, some of these general economic factors, coupled with a sharp rise in discount rates due to the underlying hike in interest rates have resulted in an impairment of $1,347,000 being recognised on the goodwill associated with one of the CGUs in the CopRice segment.

Under current macro-economic circumstances, the directors and management have also considered and assessed reasonable possible changes to the key assumptions used as a basis for the value in use calculations, including changes in the cost of imported products, foreign exchange rates, long-term growth rates and discount rates. The value in use calculations were also stress tested to include a component of forecast accuracy, based on the historical achievements of budgeted targets for the CGU.

As a result, the directors and management have not presently identified any instances that could, in isolation, cause the carrying amount of the CGU's of the Group to exceed their residual recoverable amount at 30 April 2023. It is however noted that, in combination, some of these factors, including further increases in discount rates and a prolonged devaluation of the AUD particularly against the USD and EUR, could trigger the need for an impairment of part or all of the carrying value of the Group's goodwill balance in the future.

Recognition and measurement

Goodwill

Goodwill represents the excess of the consideration transferred, amount of any non-controlling interest in the acquired assets and acquisition date fair value of any previous equity interest in the acquired entity, over the fair value of the identifiable net assets acquired.

If the fair value of the identifiable net assets acquired is however in excess of the consideration transferred, amount of any non-controlling interest in the acquired assets and acquisition date fair value of any previous equity interest in the acquired entity, this excess is recorded as a gain on business combination in other income in the Consolidated Income Statement.

Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Goodwill is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments.

Acquired patents and brands

Separately acquired patents and brands are shown at historical cost.

Patents and brands acquired in a business combination are recognised at fair value at the acquisition date.

Capitalised software

Costs associated with maintaining software programmes are recognised as expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when relevant criteria are met. Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are amortised from the point at which the asset is ready for use.

Amortisation methods and periods

Intangible assets are amortised on a straight line basis over the periods of their expected benefit:

Acquired patents and brands	5 to 20 years
Capitalised software	5 years

Other intangible assets

Other intangible assets relate to the acquisition of multi-year licenses by the Group.

These intangible assets are shown at historical cost and are amortised over the term of the underlying licenses.

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3.i. Intangibles (continued)

Research and development costs

Research expenditure and development expenditure that do not meet the relevant criteria for recognition as intangible assets are recognised as expense as incurred. Development costs previously recognised as expense are not recognised as intangible asset in a subsequent period.

3.j. Derivative financial instruments

	2023 $000's	2022 $000's
Current assets		
Interest rate swaps (cash flow hedges)	-	368
Forward foreign exchange contracts (cash flow hedges)	598	494
	598	862
Non-Current assets		
Interest rate swaps (cash flow hedges)	540	317
	540	317
Current liabilities		
Forward foreign exchange contracts (cash flow hedges)	3,356	1,575
	3,356	1,575

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged items and the hedging instruments.

For hedges of foreign currency sales and purchases, the Group enters into hedge relationships where the critical terms of the hedging instruments match exactly with the terms of the hedged items. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged items such that the critical terms no longer match exactly with the critical terms of the hedging instruments, the Group uses the hypothetical derivative method to assess effectiveness. In hedges of foreign currency sales and purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of SunRice or the derivative counterparty.

The Group also enters into interest rate swaps that have similar critical terms as the hedged items, such as reference rate, reset dates, payment dates, maturities and notional amounts. The Group does not hedge 100% of its bank borrowings, therefore the hedged items are identified as a proportion of the outstanding bank borrowings up to the notional amount of the swaps. As all critical terms matched during the year, the economic relationship was 100% effective. Hedge ineffectiveness for interest rate swaps is assessed using the same principles as for hedges of foreign currency sales and purchases. It may occur due to the credit or debit value adjustment on the interest rate swaps which is not matched by the borrowing, and differences in critical terms between the interest rate swaps and underlying bank borrowings. There was no ineffectiveness during 2023 or 2022 in relation to the interest rate swaps.

Recognition and measurement

Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities (fair value hedges), or
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of the hedged items. The Group also documents its risk management objective and strategy for undertaking its hedge transactions.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

3.j Derivative financial instruments (continued)

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity.

The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other income/expenses.

When forward contracts are used to hedge forecast transactions, the Group generally designates the full change in fair value of the forward contract (including forward points) as the hedging instrument.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset (inventory or fixed assets), the deferred hedging gains or losses and the deferred time value of the deferred forward points are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through the use of inventory or depreciation of fixed assets).
- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance costs at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting.

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other income and expenses.

Risk exposure

Information about the Group's exposure to foreign exchange risk and interest rate risk is provided in note 4g.

4. Capital and financial risk management

This section outlines how the Group manages its capital structure and its exposure to financial risk and provides details of its balance sheet liquidity and access to financing facilities.

4.a. Capital risk management

The Group's capital management framework is designed to be flexible and enable the Group to maximise value for all shareholders through optimisation of cash flows, prudent gearing, responsible capital investment, reliable dividend stream and disciplined allocation of surplus capital. In this context, the Group monitors capital on the basis of a number of financial metrics, which include:

- A gearing ratio, which is calculated as net debt divided by net debt plus total equity and where net debt is calculated as total borrowings less cash and cash equivalents while total equity includes non-controlling interests.
- A leverage ratio, which is calculated as net debt divided by EBITDA and where net debt has the same meaning as for the gearing ratio while EBITDA is calculated as earnings before net finance costs (asset financing charges are not considered a finance item for the purpose of the EBITDA calculation), tax, depreciation, amortisation and impairment.

	Notes	2023 $000's	2022 $000's
Net debt	4c	291,434	197,780
Total equity		556,646	505,349
Gearing ratio		34%	28%
Net debt	4c	291,434	197,780
EBITDA	2a	116,965	91,343
Leverage Ratio		2.5	2.2

When considering the Group's gearing and leverage, it is important to note that the PNG Kina (PGK) is a not currency freely traded on currency markets. As a result, the cash balance accumulated by Trukai Industries (see details in note 4g – liquidity risk) may not always be repatriated on demand. This may result in additional borrowing cost to finance the Group's working capital in the future and, if this amount of cash was to become unavailable for the Group, the Group's gearing and leverage ratios would increase compared to their current level.

Franked dividends

	2023 $000's	2022 $000's
Special dividend for the year ended 30 April 2022 of 5 cents (2021: 0 cents) per outstanding ordinary B Class Share	3,103	-
Final dividend for the year ended 30 April 2022 of 25 cents (2021: 33 cents) per outstanding ordinary B Class Share	15,514	20,102
Interim dividend for the year ended 30 April 2023 of 10 cents (2022: 10 cents) per outstanding ordinary B Class Share	6,278	6,170
Total dividend distributed	24,895	26,272

Subsequent to year end, the directors have recommended the payment of a fully franked final dividend of 40 cents per outstanding ordinary B Class Share for the year ended 30 April 2023. The aggregated amount of the proposed dividend not recognised as a liability at 30 April 2022 is $25,282,000 (2022: 18,617,000). The franked portion of the final and special dividends recommended after 30 April 2023 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ending 30 April 2024.

	2023 $000's	2022 $000's
Franking credits available for subsequent financial years based on a tax rate of 30% (2022 - 30%)	62,612	57,077

The above amounts represent the balance of the franking account as at the end of the reporting period, adjusted for franking credits that will arise from the payment of any income tax payable at the end of the reporting period.

The impact on the franking account of the dividend recommended by the directors since the end of the reporting period, but not recognised as a liability at the reporting date, will be a reduction in the franking account of $10,862,000 (2022: $$7,965,000).

Dividend Reinvestment Plan (DRP)

The company's DRP (see note 4e) was in operation in 2023 with regards to the distribution of the 2022 final and special dividends and 2023 interim dividend. The plan will remain in operation in 2024 with regards to the distribution of the 2023 final dividend.

4.b. Cash and cash equivalents

	2023 $000's	2022 $000's
Cash at bank and on hand	74,295	42,599
Total cash and cash equivalents	74,295	42,599

Reconciliation to cash at the end of the year

The figures above are reconciled to cash at the end of the financial year as shown in the consolidated cash flow statement as follows:

	2023 $000's	2022 $000's
Cash and cash equivalents	74,295	42,599
Less: Bank overdraft (note 4d)	(10,097)	(14,341)
Balances per consolidated cash flow statement	64,198	28,258

Recognition and measurement

For the purpose of presentation in the consolidated cash flow statement, cash and cash equivalents include cash on hand, deposits held at call with financial institutions and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities.

Goods and Services Tax (GST)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Risk exposure

The Group may be exposed to liquidity risk in relation to the availability of the USD currency in PNG. Details are presented in note 4g.

4.c. Cash flow information and net debt reconciliation

Reconciliation of profit after income tax to net cash inflow from operating activities

	2023 $000's	2022 $000's
Profit for the year	54,790	48,727
Depreciation and amortisation	28,344	26,142
(Gain) / loss on sale / disposal of property, plant and equipment	(3,342)	349
Net exchange differences (including changes in the fair value of derivatives)	5,266	7,750
Impairment of non-current assets	5,218	58
Share-based payment expense	6,554	2,874
Deductions under Employee Share Scheme and Non-executive Director Fee Sacrifice B Class Share Acquisition Plan	559	504
Net operating (liabilities) / assets acquired through business combination	(1,505)	735
Changes in operating assets and liabilities		
Increase in trade and other receivables	(41,303)	(84,590)
(Increase) / decrease in other operating assets	(5,007)	377
Increase in inventories	(44,968)	(149,234)
(Decrease) / increase in amounts payable to Riverina Rice Growers	(87,651)	87,686
Increase in trade and other payables and employee entitlements	23,411	77,180
Increase / (decrease) in current tax liability (net of current tax receivable)	16,326	(2,212)
(Increase) / decrease in deferred tax assets	(5,255)	7,992
Net cash (outflows) / inflows from operating activities	(48,563)	24,338

4.c. Cash flow information and net debt reconciliation (continued)

Net debt reconciliation

Net debt	2023 $000's	2022 $000's
Cash and cash equivalents	74,295	42,599
Borrowings - repayable within one year (including overdraft)	(299,071)	(125,067)
Borrowings - repayable after one year	(66,658)	(115,312)
Net Debt	(291,434)	(197,780)
Cash and cash equivalents	74,295	42,599
Gross debt - fixed interest rates	(23,000)	(19,000)
Gross debt - variable interest rates	(342,729)	(221,379)
Net debt	(291,434)	(197,780)

	Other Assets	Liabilities from financing activities				
	Cash / bank overdrafts $000's	Lease liabilities due within one year $000's	Lease liabilities due after one year $000's	Borrowings due within one year $000's	Borrowings due after one year $000's	Total $000's
Net debt at 30 April 2021	23,536	(3,165)	(12,938)	(81,796)	(73,512)	(147,875)
Cash flows	3,211	3,953	-	(25,628)	(30,670)	(49,134)
Additional lease liabilities	-	-	(2,050)	-	-	(2,050)
Reduction in lease liabilities	-	-	854	-	-	854
Foreign exchange adjustments	1,511	-	(374)	-	-	1,137
Interests on lease liabilities (included in operating cash flows) and other non cash movements	-	(3,970)	3,549	(120)	(171)	(712)
Net debt at 30 April 2022	28,258	(3,182)	(10,959)	(107,544)	(104,353)	(197,780)
Cash flows	34,980	5,218	-	(176,579)	52,409	(83,972)
Additional lease liabilities	-	-	(9,818)	-	-	(9,818)
Reduction in lease liabilities	-	-	-	-	-	-
Foreign exchange adjustments	960	-	(273)	-	-	687
Interests on lease liabilities (included in operating cash flows) and other non cash movements	-	(6,969)	6,282	82	54	(551)
Net debt at 30 April 2023	64,198	(4,933)	(14,768)	(284,041)	(51,890)	(291,434)

4.d. Borrowings

	2023 $000's	2022 $000's
Current - Secured		
Bank overdrafts	10,097	14,341
Bank loans	284,407	107,828
Net accrued interest and capitalised borrowing costs	(366)	(284)
Lease liabilities (note 3g)	4,933	3,182
Total borrowings	299,071	125,067
Non current - Secured		
Bank loans	52,261	104,670
Net accrued interest and capitalised borrowing costs	(371)	(317)
Lease liabilities (note 3g)	14,768	10,959
Total borrowings	66,658	115,312

4.d. Borrowings (continued)

Significant terms and conditions of bank facilities

At 30 April 2023, the Seasonal bank facility (including a trade finance and transactional banking facility) terms were updated, with a first tranche of $380,369,000 now maturing in April 2024 and a second tranche of $102,483,000 maturing in April 2025. The total limit of the facility ($482,852,000) increased from the $305,000,000 at 30 April 2022 to accommodate the ongoing availability of Australian rice and SunFoods drawing directly. The trade finance and transactional banking component of the facility ($180,369,000) remained as an uncommitted facility.

At 30 April 2023, the Core bank facility was also updated and increased from $220,000,000 at 30 April 2022 to $240,000,000 at 30 April 2023, with a first tranche of $120,000,000 maturing in April 2024 and a second tranche of $120,000,000 maturing in April 2026.

The Group's Seasonal and Core bank borrowings are secured by registered equitable mortgages over all assets of the Obligor Group and a cross-guarantee between each member of the Obligor Group (the composition of which has been detailed in note 4g).

Under the terms of the banking facilities, the Group is required to comply with a set of financial covenants. The Group complied with these covenants throughout the reporting period.

In 2023, Trukai Industries continued to benefit from a PGK 75,000,000 (AUD 31,542,000) uncommitted overdraft facility. This facility is secured against the assets of Trukai Industries under a General Security Agreement.

Risk exposure

Details of the Group's undrawn bank facilities and exposure to risks arising from current and non-current borrowings are set out in note 4g. The Group's bank borrowings are categorised as follows:

	2023 $000's	2022 $000's
Seasonal debt	266,668	140,498
Core debt	70,000	72,000
	336,668	212,498
Representing:		
Current bank loans	284,407	107,828
Non-current bank loans	52,261	104,670
	336,668	212,498

Seasonal debt

Seasonal debt represents borrowings used for the purpose of funding net working capital requirements.

Core debt

Core debt represents borrowings used to fund the general requirements of the business (e.g. fixed assets and investments).

Recognition and measurement

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of bank facilities are recognised as transaction costs to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

4.e. Share capital

A Class Shares

A Class Shares have no nominal value but are voting shares held only by Riverina rice growers who meet the production quotas prescribed by the SunRice Constitution. A Class Shares are not classified as equity and at 30 April 2023, 623 A Class shares were on issue (2022: 420).

Further details about the non-standard elements of the SunRice Group's Constitution, including information about the Group's dual class share structure are included in the shareholder information section of this Annual Report on pages 140 and 141.

B Class Shares

B Class Shares are non-voting shares and entitle the holder to participate in dividends. B Class shares have no par value and are classified as equity. The number of B Class Shares on issue is set out below:

	2023 Number of shares	2022 Number of shares
Total B Class Shares outstanding at 30 April	62,916,774	61,946,975
Total treasury Shares (B Class) at 30 April	442,508	-
Total B Class Shares on issue at 30 April	63,359,282	61,946,975

Movement in ordinary B Class Shares

	2023 Number of shares	2022 Number of shares	2023 $000's	2022 $000's
Balance at 1 May	61,946,975	60,789,748	142,478	134,561
Issue under Dividend Reinvestment Plan	894,693	940,755	6,443	6,424
Issue under Employee Share Scheme - purchased shares	64,155	43,881	475	312
Issue under Employee Share Scheme - shares offered for no consideration	25,726	25,165	189	179
Issue under Non-executive Director Fee Sacrifice B Class Share Acquisition Plan - purchased shares	13,098	-	94	-
Issue of Treasury Shares to the Ricegrowers Limited Employee Share Trust	304,295	-	2,014	-
Issue under Employee Long Term Incentive Plan	110,340	147,426	833	1,002
Balance at 30 April	63,359,282	61,946,975	152,526	142,478

Dividend Reinvestment Plan

The Company has established a Dividend Reinvestment Plan (DRP) under which holders of ordinary B Class Shares may elect to have all or part of their dividend entitlement satisfied by the issue of new ordinary B Class Shares rather than by being paid in cash.

With regards to the 2022 final and special dividends settled in 2023, B Class Shares were issued under the DRP at the prevailing market price at the time of the DRP offer, with no discount (2022: 1.5% discount). With regards to the 2023 interim dividend also settled in 2023, B Class Shares were issued under the DRP at the prevailing market price at the time of the interim DRP offer, with no discount (2022: no discount).

Employee Share Scheme

The Company has established an Employee Share Scheme (ESS) under which eligible employees are given the opportunity to acquire ordinary B Class Shares out of their benefit entitlements or after tax funds. Under the matching component of the ESS, eligible employees may also be granted B Class Shares for no consideration (see further details in note 6b).

B Class Shares were issued under the ESS at the prevailing market price at the time of the relevant annual ESS offer, with no discount (2022: no discount).

Non-executive Director Fee Sacrifice B Class Share Acquisition Plan

The Company has established a Non-executive Director Fee Sacrifice B Class Share Acquisition Plan (NEDs Plan) under which eligible Non-executive Directors are given the opportunity to acquire ordinary B Class Shares out of their Director base fees. The Plan has been introduced to support Non-executive Directors to build their shareholdings in the Company and as a mean of enhancing the alignment of interests between Non-executive Directors and B Class Shareholders generally. The Company has set a minimum shareholding required of one time the Non-executive Director base fee.

B Class Shares were issued under the NEDs Plan at $7.18 representing the average of the Volume Weighted Average Price of ordinary B Class shares traded on the ASX over the 5 days on which B Class shares were traded between 24 August 2022 and 30 August 2022, with no discount.

4.e. Share capital (continued)

Treasury shares

Treasury shares issued in the current period are B Class shares in Ricegrowers Limited that are held as unallocated B Class shares by the Ricegrowers Limited Employee Share Trust for the purpose of allocating B Class Shares that may be delivered in the future under Long Term Incentive Plans, Other Equity Plans and the matching component of the ESS.

Employee Long Term Incentive Plan

B Class Shares issued relate to vested and exercised ordinary B Class Shares under the Company's Employee Long Term Incentive (LTI) Plan, where those vested ordinary B Class Shares were not already satisfied by the allocation of ordinary B Class Shares previously classified as Treasury Shares (see further details in note 4f).

Recognition and measurement

Incremental costs directly attributable to the issue of new B Class Shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the company's equity instruments, for example as a result of a B Class Share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of Ricegrowers Limited as treasury shares until the B Class Shares are cancelled or reissued. Where such B Class Shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Ricegrowers Limited.

B Class Shares held as unallocated shares by the Ricegrowers Limited Employee Share Trust are disclosed as treasury shares and deducted from total equity.

4.f. Reserves and retained profits

	2023 $000's	2022 $000's
Asset revaluation reserve	4,917	4,917
Foreign currency translation reserve	(12,012)	(21,815)
Hedging reserve - cash flow hedges	(1,867)	297
Transaction with non-controlling interests	(7,956)	(7,956)
Share-based payment reserve	8,297	3,152
Treasury shares reserve	(2,948)	-
Total reserves	(11,569)	(21,405)
Retained profits	392,487	364,828

Movements

Retained profits	2023 $000's	2022 $000's
Balance at 1 May	364,828	315,094
Net profit for the year	52,554	47,553
Dividends provided for or paid	(24,895)	(26,272)
Transfer of General reserve to Retained profits	-	28,453
Balance at 30 April	392,487	364,828

4.f. Reserves and retained profits (continued)

Reserves	2023 $000's	2022 $000's
Foreign currency translation reserve		
Balance at 1 May	(21,815)	(33,808)
Net exchange difference on translation of overseas controlled entities	11,321	13,412
Non controlling interest in translation differences	(1,518)	(1,419)
Balance at 30 April	(12,012)	(21,815)
Hedging reserve - cash flow hedges		
Balance at 1 May	297	1,389
Net change in fair value of hedging instruments	(2,935)	(1,674)
Deferred tax	792	582
Foreign exchange difference on translation	(21)	-
Balance at 30 April	(1,867)	297
Share-based payment reserve		
Balance at 1 May	3,152	4,415
Share-based payment expense	6,554	2,874
Allocation of Treasury Shares (B Class) to employees under an employee share plan (ESS, LTI or other equity plans)	(408)	(2,956)
B Class Shares issued to employees under an employee share plan (ESS, LTI or other equity plans)	(1,022)	(1,181)
Foreign exchange difference on translation	21	-
Balance at 30 April	8,297	3,152
Treasury shares reserve		
Balance at 1 May	-	(2,956)
Issue of Treasury shares to the Ricegrowers Limited Employee Share Trust	(2,014)	-
Acquisition by the Ricegrowers Limited Employee Share Trust of Treasury shares under the Employee Share Sale Plan	(1,342)	-
Treasury shares allocated to employees under an employee share plan (ESS, LTI or other equity plans)	408	2,956
Balance at 30 April	(2,948)	-

Nature and purpose of reserves

Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

Foreign currency translation reserve

Exchange differences arising on the translation of the foreign controlled entities' financial information are taken to the foreign currency translation reserve.

The reserve is recognised in profit and loss when the net investment is disposed of.

Hedging reserve - cash flow hedges

The hedging reserve is used to record the changes in the fair value of hedging instruments, as shown on the next page.

4.f. Reserves and retained profits (continued)

Cash flow hedge reserve	Foreign currency forwards $000's	Interest rate swaps $000's	Total hedge reserve $000's
Opening balance at 1 May 2021	1,648	(259)	1,389
Change in fair value of hedging instruments net of reclassification to the cost of inventory or profit or loss	(2,729)	1,055	(1,674)
Deferred tax	899	(317)	582
Closing balance at 30 April 2022	(182)	479	297
Change in fair value of hedging instruments net of reclassification to the cost of inventory or profit or loss	(2,791)	(144)	(2,935)
Deferred tax	749	43	792
Foreign exchange difference on translation	(21)	-	(21)
Closing balance at 30 April 2023	(2,245)	378	(1,867)

Transactions with non-controlling interests

This reserve is used to record the outcome of transactions with non-controlling interests that do not result in a loss of control.

Share-based payment reserve

The share-based payments reserve is used to recognise:

- the grant date fair value of B Class Share rights issued to employees but not yet vested under the Employee Long Term Incentive Plan (including the Chief Executive Officer Long Term Incentive Plan) and Other Equity Plans, as described in note 6b, and
- the grant date fair value of B Class Shares issued to employees for no consideration under the matching component of the Employee Share Scheme, as described in note 6b.

Treasury shares reserve

Treasury shares are B Class Shares in Ricegrowers Limited that are held as unallocated B Class Shares by the Ricegrowers Limited Employee Share Trust for the purpose of allocating B Class Shares that may be delivered in the future under Long Term Incentive Plans, Other Equity Plans and the matching component of the ESS.

Treasury shares also include vested/unrestricted B Class Shares purchased off-market by the SunRice Group from its employees under the Employee Share Sale Pan through the Ricegrowers Employee Share Trust.

B Class shares allocated to employees are recognised on a first-in-first-out basis.

	2023 Number of treasury shares	2022 Number of treasury shares	2023 $000's	2022 $000's
Balance at 1 May	-	507,932	-	(2,956)
Acquisition by the Ricegrowers Limited Employee Share Trust of Treasury shares under the Employee Share Sale Plan (average price: $6.70 per B Class Share)	200,335	-	(1,342)	-
Issue of Treasury Shares to the Ricegrowers Limited Employee Share Trust	304,295	-	(2,014)	-
Allocation of Treasury Shares (B Class) to employees under an employee share plan (ESS, LTI or other equity plans)	(62,122)	(507,932)	408	2,956
Balance at 30 April	442,508	-	(2,948)	-

4.g. Financial risk management

The Group's activities expose it to a variety of financial risks, including market risks (such as foreign exchange risk and interest rate risk), credit risk and liquidity risk that are actively mitigated to reduce the Group's exposure. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group uses derivative financial instruments such as forward foreign exchange contracts and interest rate swaps to hedge certain risk exposures. Derivatives are only used for economic hedging purposes and not as speculative investments.

4.g. Financial risk management (continued)

The Group uses different methods to measure the different types of risks to which it is exposed. These methods include sensitivity analysis in the case of interest rates and foreign exchange risks and ageing analysis for credit risk.

Financial risk management is executed under guidance from the Treasury Management Committee, in accordance with policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as mitigating foreign exchange, interest rate and credit risks, the use of derivative financial instruments and investing excess liquidity.

Market risk

Foreign exchange risk

Exposure

The table below sets out the Group's main exposure to foreign currency risk at the reporting date, expressed in the foreign currency. The amounts presented reflect balances held in Group entities where the USD and EUR are not their functional currency.

	2023		2022	
	USD $000's	EUR $000's	USD $000's	EUR $000's
Cash	706	105	463	293
Trade receivables	80,371	-	75,881	-
Trade payables	(112,907)	(7,652)	(84,033)	(5,266)
Foreign exchange contracts:				
- selling foreign currency	(153,450)	-	(176,450)	-
- buying foreign currency	10,933	6,230	5,673	25,000
Net exposure - (selling) / buying foreign currency	(174,347)	(1,317)	(178,466)	20,027

Instruments used by the Group

The Group operates internationally and is exposed to foreign exchange risk, primarily the US dollar (USD) and Euro (EUR) and other currencies to a much lower extent. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity. Translation related risks are not included in the assessment of the Group's exposure to foreign exchange risk.

The risk is measured through cash flow forecasting and is hedged with the objective of minimising the volatility of the Australian currency equivalent of firm commitments or highly probable forecast sales and purchases denominated in foreign currencies. The Group's treasury's risk management policy is to hedge a portion of the forecast foreign currency cash flows for sales, inventory and fixed assets purchases for up to twelve months in advance, subject to a review of the cost of implementing each hedge. The Group uses foreign currency forwards to hedge its exposure to foreign currency risk. Under the Group's policy the critical terms of the forwards must align with the hedged items. Access to foreign currency forwards is however not always available in all the countries in which the Group operates (e.g. PNG and Solomon Islands).

Effects of hedge accounting on the financial position and performance

The effects of the foreign currency related hedging instruments on the Group's financial position and performance are as follows:

	2023 $000's	2022 $000's
Foreign currency forwards		
Carrying amount - liability	(2,758)	(1,081)
Notional amount - selling foreign currency	(153,450)	(176,450)
Notional amount - buying foreign currency	17,163	30,673
Maturity date	May 2023 April 2024	May 2022 April 2023
Hedge ratio*	1:1	1:1
Change in fair value of hedging instruments since 1 May	(2,791)	(2,729)
Change in value of hedged items used to determine hedge effectiveness	2,791	2,729
Weighted average hedged rate for the year	USD0.68:AUD1 EUR0.61:AUD1	USD0.72:AUD1 EUR0.65:AUD1

*The foreign currency forwards are denominated in the same currency as the highly probably future sales and purchases, therefore the hedge ratio is 1:1

4.g. Financial risk management (continued)

Sensitivity analysis

USD denominated sales and purchases of the Group (outside of PNG and the Solomons Islands) relate primarily to transactions of the Rice Pool business and/or transactions that are hedged. As a result, and because transactions of the Rice Pool business affect the Paddy Price paid to Riverina rice growers as opposed to the profit of the Group, the Group's net profit after tax exposure to fluctuations in the USD:AUD exchange rate is not considered material. Due to the extent of forward currency hedging contracts in place at 30 April 2023, had the USD/AUD exchange rate been 5 cents higher (0.7134 instead of 0.6634), with all other variables held constant, the Group's equity would have however been $8,957,000 higher (2022: $8,151,000 higher). Conversely, had the USD/AUD exchange rate been 5 cents lower (0.6134 instead of 0.6634), with all other variables held constant, the Group's equity would have been $10,869,000 lower (2022: $9,372,000 lower).

The ongoing difficulty in accessing the USD currency in PNG is affecting Trukai's ability to settle its intercompany trade payables, exposing the Group to the risk of a sudden devaluation of the PNG Kina (PGK), particularly since no hedging opportunities currently exist for that currency. At 30 April 2023, the outstanding amount due from Trukai was USD 68,264,000 (AUD 102,900,000) compared to USD 41,753,000 (AUD 58,388,000) at 30 April 2022. Had the USD/PGK exchange rate been 1 cent or 100bp lower at 30 April 2023 (0.2690 instead of 0.2790), with all other variables held constant, Trukai's intercompany trade payable would have been higher in its local currency, resulting in an additional foreign exchange loss in the Group's profit after tax for the year of $3,825,000 (2022: $2,171,000).

The Group is also exposed to the risk of a sudden devaluation of the Solomon Island Dollar (SBD) due to the current lack of hedging opportunities for that currency. At 30 April 2023, the outstanding amount due from SolRice was USD 16,484,000 (AUD 24,848,000) compared to USD 13,925,000 (AUD 19,473,000) at 30 April 2022. Had the USD/SBD exchange rate been 1 cent or 100bp lower at 30 April 2023 (0.1100. instead of 0.1200), with all other variables held constant, SolRice's intercompany trade payable would have been higher in its local currency, resulting in an additional foreign exchange loss in the Group's profit after tax for the year of $1,581,000 (2022: $1,196,000).

Sensitivity analyses have not been presented for other currencies, because the Group's exposure to those currency exchange movements (including the EUR) is not considered material.

Interest rate risk

Exposure

The Group's main interest rate risk arises from bank borrowings and bank overdrafts, which expose the Group to cash flow interest rate risk. The Group's policy is to maintain a portion of its long-term bank borrowings at fixed rate, using floating-to-fixed interest rate swaps to achieve this when necessary. Generally, the Group enters into long-term bank borrowings at floating rates and swaps a portion of them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

During 2023 and 2022, the Group's bank borrowings at variable rate were mainly denominated in Australian dollar. The Group had the following variable rate borrowings and interest rate swap contracts outstanding (an analysis by maturities is provided in the liquidity risk section of this note):

30 April 2023	Weighted average interest rate %	Balance $000's
Bank loans and bank overdrafts	5.0	(336,668)
Interest rate swaps (notional principal amount)	1.7	23,000
Net exposure to cash flow interest rate risk		(313,668)
30 April 2022		
Bank loans and bank overdrafts	1.1	(212,498)
Interest rate swaps (notional principal amount)	0.5	19,000
Net exposure to cash flow interest rate risk		(193,498)

Instruments used by the Group

Interest rate swaps currently in place cover 33% (2022: 26%) of the Obligor Group Core debt outstanding. The Obligor Group is a sub-group of Ricegrowers Limited that jointly guarantees the Core and Seasonal banking facilities contracted in Australia (see note 4d). The following entities are part of the Obligor Group:

- Riviana Foods Pty Ltd
- Australian Grain Storage Pty Ltd
- Rice Research Australia Pty Ltd
- Solomons Rice Company Limited
- Sunshine Rice Inc.
- Ricegrowers Singapore Pte Ltd
- Ricegrowers New Zealand Ltd
- Sunshine Rice Pty Ltd
- SunFoods LLC
- Roza's Gourmet Pty Ltd
- Pryde's Tuckerbag Pty Ltd
- Pryde's Easifeed Pty Limited

4.g. Financial risk management (continued)

Fixed interest rates for the swaps range between 0.41% and 3.40% (2022 – 0.41% and 0.65%) and the variable rates of the borrowing are between 3.60% and 5.55% (2022 – 0.95% and 2.45%).

The interest rate swaps contracts require settlement of net interest receivable or payable every 90 days.

Effects of hedge accounting on the financial position and performance

The effects of the interest rate swaps on the Group's financial position and performance are as follows:

	2023 $000's	2022 $000's
Interest rate swaps		
Carrying amount - asset	540	685
Notional amount	23,000	19,000
Maturity date	2024	2023 / 2024
Hedge ratio*	1:1	1:1
Change in fair value of hedging instruments since 1 May	(144)	1,055
Change in value of hedged items used to determine hedge effectiveness	144	(1,055)
Weighted average hedged rate for the year	1.7%	0.5%

* The interest rates swaps are denominated in the same currency as the underlying debt, therefore the hedge ratio is 1:1

Sensitivity analysis

At 30 April 2023, if interest rates had changed by + / - 25 basis points from the year end rates, with all other variables held constant (including the maturity of the hedging cover in place), profit after tax for the year would have been $549,000 lower/higher (2022: 341,000 lower/higher), mainly as a result of higher/lower interest expense on variable bank borrowings.

Credit risk

Credit risk arises from cash and cash equivalents, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to domestic and export customers, including outstanding receivables.

Risk management

Credit risk is managed on a Group basis.

For banks and financial institutions, only independently rated parties with a minimum rating of Moody's A3 or Standard & Poor's A minus are accepted, unless such rating is not available in a country in which SunRice operates. In this case, the Group limits credit risk and manages cash in such way that only the minimum amount required for every day operations is kept on local bank accounts.

Customers in Australia and in the countries in which the Group has operations are assessed for credit quality, taking into account their financial position, past experience, trade references, ASIC (or equivalent) searches and other factors. The majority of other export customers trading terms are secured by letters of credit, cash against documents or documentary collection and prepayment. Individual credit limits for all customers are set in accordance with the limits set by the Board and compliance with credit limits is regularly monitored by the Group. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

For derivative financial instruments, the Group has established limits so that the portfolio of instruments held with the various financial institutions does not create a material counterparty risk to the Group.

Security

For some trade receivables the Group may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Impairment of financial assets

Cash and cash equivalents are subject to the impairment requirements of AASB 9. There was however no identified impairment loss in the current or previous reporting period. Trade receivables for sales of goods are subject to the expected credit loss model. Further details on loss allowances recognised in the current and previous reporting period are available in note 3a.

4.g. Financial risk management (continued)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and close out market positions. Due to the dynamic nature of the Group's underlying businesses, Group Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Group monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities disclosed below) and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet business needs and satisfy internal and external compliance requirements.

The ongoing difficulty in accessing the USD currency in PNG continues to affect Trukai's ability to repay its intercompany payables and indirectly influences the cash balance accumulated by Trukai of PGK 12,564,000 (AUD 5,284,000) at 30 April 2023 compared to PGK 21,682,000 (AUD 8,459,000) at 30 April 2022. To maintain access to the USD currency and support its local net working capital needs, Trukai maintained a local uncommitted net working capital facility of PGK 75,000,000 in the current year (see further details in note 4d). The Group continues to closely monitor economic conditions in PNG to proactively manage the liquidity risk. Potential impacts on gearing and leverage have also been discussed in note 4a.

Financing arrangements

The Group had access to the following undrawn borrowing facilities at the reporting date:

	2023 $000's	2022 $000's
Fixed and floating rate:		
Bank overdraft - expiring within one year	21,445	14,921
Bank loans - expiring within one year	209,304	189,955
Bank loans - expiring beyond one year	170,222	115,330
	400,970	320,206

The bank overdraft facilities and $180,369,000 of the bank borrowing facilities (portion relating to trade finance and transactional banking), may be drawn at any time and may be terminated by the bank without notice. Additional information on significant terms and conditions of bank facilities is available in note 4d.

Maturities of financial liabilities

The tables below and on the next page analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities and net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the tables are the contractual undiscounted cash flows.

Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

30 April 2023	Less than 12 months $000's	Between 1 and 2 years $000's	Between 3 and 5 years $000's	Over 5 years $000's	Total contractual cash flows $000's	Total carrying amount $000's
Non-derivatives						
Non-interest bearing	350,558	-	-	1,013	351,571	351,571
Variable rate	300,938	54,811	-	-	355,749	336,668
Fixed rate	16,307	5,401	9,492	851	32,051	29,798
Total non-derivatives	667,803	60,212	9,492	1,864	739,371	718,037
Derivatives (including asset positions)						
Interest rate swaps - net settled	-	(540)	-	-	(540)	(540)
Foreign currency contracts - gross settled						
- outflow	311,439	-	-	-	311,439	2,758
- inflow	(308,681)	-	-	-	(308,681)	-
Total derivatives	2,758	(540)	-	-	2,218	2,218

4.g. Financial risk management (continued)

30 April 2022	Less than 12 months $000's	Between 1 and 2 years $000's	Between 3 and 5 years $000's	Over 5 years $000's	Total contractual cash flows $000's	Total carrying amount $000's
Non-derivatives						
Non-interest bearing	418,085	-	-	1,051	419,136	419,136
Variable rate	110,621	105,789	-	-	216,410	212,498
Fixed rate	18,729	3,301	6,604	1,812	30,446	28,482
Total non-derivatives	547,435	109,090	6,604	2,863	665,992	660,116
Derivatives (including asset positions)						
Interest rate swaps - net settled	(368)	(317)	-	-	(685)	(685)
Foreign currency contracts - gross settled						
- outflow	394,223	-	-	-	394,223	1,081
- inflow	(393,142)	-	-	-	(393,142)	-
Total derivatives	713	(317)	-	-	396	396

4.h. Fair value measurement

The Group's assets and liabilities carried at fair value are mainly related to currency and interest rates derivatives.

The Group's financial instruments that are carried at fair value are valued using observable market data, as there is no price quoted in an active market for the financial instruments held (level 2).

The fair value of derivative financial instruments are determined based on dealer quotes for similar instruments. The valuation inputs are calculated in accordance with industry norms and the inputs include spot market exchange rates and published interest rates.

The Group does not have any financial instruments that are carried at fair value using inputs classified as level 1 inputs.

Only the investment property is classified as level 3, as the fair value is determined by an independent valuation.

	2023			2022		
Recurring fair value measurements	Level 2 $000's	Level 3 $000's	Total $000's	Level 2 $000's	Level 3 $000's	Total $000's
Assets						
Investment properties	-	2,900	2,900	-	2,900	2,900
Derivatives used for hedging						
- Foreign exchange contracts	598	-	598	494	-	494
- Interest rate swaps	540	-	540	685	-	685
Total assets	1,138	2,900	4,038	1,179	2,900	4,079
Liabilities						
Derivatives used for hedging						
- Foreign exchange contracts	3,356	-	3,356	1,575	-	1,575
Total liabilities	3,356	-	3,356	1,575	-	1,575

There were no transfer between levels for recurring fair value measurements during the year.

The Directors consider the carrying amounts of other financial instruments approximate their fair value, due to either their short-term nature or being at market rates. These financial instruments include trade receivables, trade payables, amounts payable to Riverina Rice Growers, bank overdrafts and bank borrowings.

4.i. Commitments

Capital commitments (property, plant and equipment)

	2023 $000's	2022 $000's
Commitments for capital expenditure contracted for at the reporting date but not recognised as liabilities	5,924	1,569

4.j. Contingent liabilities

The Group had the following contingent liabilities not provided for in its financial statements at 30 April:

	2023 $000's	2022 $000's
Letters of credit	4,246	3,400
Guarantees of bank advances	18,036	10,793
Total contingencies	22,282	14,193

Letters of credit in both years are mainly contracted in relation to the purchase of rice in Asia.

Significant estimates and judgements

Provisions and contingent liabilities

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities.

Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Due to the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provisions.

At 30 April 2023, the Group does not expect any material adverse outcome from any open or pending cases.

5. Group Structure

This section provides details of the Group structure and the entities included in the consolidated financial statements.

5.a. Investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries.

Name of entity	Country of Incorporation	Principal activities	Direct / indirect interest in ordinary shares / equity 2023 %	2022 %
Australian Grain Storage Pty Ltd *	Australia	Grain storage assets	100	100
Rice Research Australia Pty Ltd	Australia	Research into rice growing	100	100
Riviana Foods Pty Ltd *	Australia	Importation / manufacturing / distribution of food products	100	100
Roza's Gourmet Pty Ltd	Australia	Manufacturing / distribution of food products	100	100
KJ&Co Brands Pty Ltd	Australia	Importation / Distribution of food products	100	100
SunRice Australia Pty Ltd	Australia	No current activities	100	100
SunRice Trading Pty Ltd	Australia	No current activities	100	100
SunShine Rice Pty Ltd	Australia	No current activities	100	100
Pryde's Tuckerbag Pty Ltd	Australia	Holding company	100	100
Pryde's Easifeed Pty Ltd	Australia	Manufacturing / distribution of animal feed products	100	100
Pryde's Easifeed NZ Limited	New Zealand	Distribution of animal feed products	100	100
Ricegrowers New Zealand Ltd	New Zealand	Distribution of rice and other food and animal nutrition products	100	100
Aqaba Processing Company Ltd	Jordan	Rice packing / storage	80	80
Rice Industries Limited	PNG	Property	66.23	66.23
Trukai (Wholesale) Limited	PNG	Distribution of rice	66.23	66.23
Trukai Industries Limited	PNG	Processing and distribution of rice	66.23	66.23
Ricegrowers Singapore Pte Ltd	Singapore	Procurement and trading of rice and other food products	100	100
Ricegrowers Limited Japan	Japan	No current activities	99	99
Solomons Rice Company Limited	Solomon Islands	Distribution of rice	100	100
Ricegrowers Middle East DMCC	UAE	Distribution of rice and other food products	100	100
SunFoods LLC	USA	Processing and distribution of rice	100	100
Sunshine Rice, Inc	USA	Holding company	100	100
Ricegrowers Vietnam Company Limited **	Vietnam	Processing and distribution of rice	100	100
SunRice Trading (Shanghai) Co Ltd	China	No current activities	100	100

*Entities part of a Deed of Cross Guarantee that are relieved under the ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 from preparing a separate financial report (see note 5c).
**Ricegrowers Vietnam Company Limited has a 31 March financial year end as local regulations in Vietnam do not allow financial years to end on 30 April. The directors believe that the financial effects of any events or transactions occurring since the last available financial information have not materially affected the financial position or performance of the subsidiary.

Non-controlling interests

At 30 April 2023, non-controlling interests held 540,320 (2022: 540,320) ordinary shares in Trukai Industries Limited, being 33.77% (2022: 33.77%) of the ordinary issued capital of that entity. Summarised financial information for this subsidiary has been disclosed in note 5e.

At 30 April 2023, non-controlling interests held 6,000 (2022: 6,000) ordinary shares in Aqaba Processing Company Limited, being 20% (2022: 20%) of the ordinary issued capital of that entity.

At 30 April 2023, non-controlling interests held 1 (2022: 1) ordinary share in Ricegrowers Limited Japan, being 1% (2022: 1%) of the ordinary issued capital of that entity.

5.a Investments in subsidiaries (continued)

Recognition and measurement

Subsidiaries

Ricegrowers Limited ("company" or "parent entity") and its subsidiaries together are referred to in these financial statements as the Group or the consolidated entity.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

5.b. Investments accounted for using the equity method

	2023 $000's	2022 $000's
Shares in associates	2,763	2,665

Set out below are the associates of the Group which, in the opinion of the directors, are not material to the Group.

Name of company	Principal activity	Ownership interest 2023	2022
Pagini Transport (incorporated in Papua New Guinea)	Transport	30.44%	30.44%
Rice Breeding Australia (incorporated in Australia)	Research into the delivery of new and improved rice varieties	33.33%	0.00%

The Associates operate on a non-coterminous year-end of 31 December for Pagini Transport and 30 June for Rice Breeding Australia.

The directors believe that the financial effects of any events or transactions occurring since the last available financial information have not materially affected the financial position or performance of any associate.

Recognition and measurement

Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method of accounting. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income.

Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

5.c. Deed of cross guarantee

Ricegrowers Limited, Riviana Foods Pty Ltd and Australian Grain Storage Pty Ltd entered into a deed of cross guarantee on 28 April 2016 under which each company guarantees the debts of the others.

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a separate financial report and Directors' report under the ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

The previously mentioned companies represent a "closed Group" for the purposes of the ASIC Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Ricegrowers Limited, they also represent the "extended closed Group".

Consolidated statement of comprehensive income

Consolidated statement of comprehensive income	2023 $000's	2022 $000's
Sales revenue	1,019,482	787,456
Revenue from the receipt of dividends from subsidiaries	31,836	33,318
Other revenue	14,476	10,642
Revenue from continuing operations	1,065,794	831,416
Other income	9,138	7,977
Changes in inventories of finished goods	(34,911)	(6,423)
Raw materials and consumables used	(544,570)	(461,583)
Freight and distribution expenses	(153,170)	(89,709)
Employee benefits expenses	(132,107)	(110,556)
Depreciation and amortisation expense	(18,658)	(17,708)
Impairment	(5,218)	(58)
Finance costs	(11,837)	(4,965)
Other expenses	(116,378)	(97,697)
Profit before income tax	58,083	50,694
Income tax expense	(10,410)	(5,710)
Profit for the year	47,673	44,984
Items that may be reclassified to the profit or loss		
Changes in fair value of cash flow hedges	(2,472)	(2,390)
Income tax relating to items of other comprehensive income	741	699
Other comprehensive loss for the year, net of tax	(1,731)	(1,691)
Total comprehensive income for the year	45,942	43,293

Summary of movements in consolidated retained earnings

Summary of movements in consolidated retained earnings	2023 $000's	2022 $000's
Balance at 1 May	220,672	183,303
Net profit for the year	47,673	44,984
Dividends provided for or paid	(24,895)	(26,272)
Transfer of General reserve to Retained profits	-	18,657
Balance 30 April	243,450	220,672

5.c. Deed of cross guarantee (continued)

Consolidated balance sheet

	2023 $000's	2022 $000's
Current assets		
Cash and cash equivalents	30,050	8,043
Receivables	242,233	206,033
Inventories	392,627	393,966
Current tax receivable	-	2,294
Derivative financial instruments	258	368
Total current assets	665,168	610,704
Non-current assets		
Other financial assets	80,128	81,732
Property, plant and equipment	194,056	193,109
Investment properties	2,900	2,900
Intangibles	55,530	55,832
Derivative financial instruments	540	317
Deferred tax assets	11,396	6,916
Total non-current assets	344,550	340,806
Total assets	1,009,718	951,510
Current liabilities		
Payables	141,142	147,320
Amounts payable to Riverina Rice Growers	112,491	200,142
Borrowings	251,216	107,886
Current tax liabilities	13,272	-
Provisions	22,539	20,131
Derivative financial instruments	3,356	1,575
Total current liabilities	544,016	477,054
Non current liabilities		
Payables	3,308	2,804
Borrowings	61,252	103,444
Provisions	2,287	2,277
Total non-current liabilities	66,847	108,525
Total liabilities	610,863	585,579
Net assets	398,855	365,931
Equity		
Contributed equity	152,526	142,478
Reserves	2,879	2,781
Retained profits	243,450	220,672
Total equity	398,855	365,931

5.d. Parent entity information

Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2023 $000's	2022 $000's
Balance sheet		
Current assets	589,718	533,157
Total assets	854,648	803,986
Current liabilities	500,921	435,112
Total liabilities	574,873	549,431
Shareholders equity		
Issued capital	152,526	142,478
Reserves		
Share-based payment reserve	7,306	2,978
Treasury shares reserve	(2,948)	-
Hedging reserve - cash flow hedges	(1,946)	240
Retained profits	124,837	108,859
Total shareholders equity	279,775	254,555
Profit for the year	40,906	34,586
Total comprehensive income for the year	38,720	34,826

Guarantees entered into by the parent entity

The parent entity has entered into cross guarantees in respect of all banking facilities, including bank borrowings, foreign exchange facilities and bank overdrafts as described in note 5c. No deficiencies of assets exist in any of these companies.

Contingent liabilities of the parent entity

	2023 $000's	2022 $000's
Letters of credit	3,780	-
Guarantee of bank advances	17,434	10,345
Total contingencies	21,214	10,345

Contractual commitments of the parent entity for the acquisition of property, plant and equipment

At 30 April 2023, the parent entity had contractual commitments for the acquisition of property, plant or equipment totaling $2,709,000 (30 April 2022: $1,569,000).

These commitments are not recognised as liabilities at the end of the reporting period as the relevant assets have not yet been received.

Recognition and measurement

The financial information for the parent entity, Ricegrowers Limited, has been prepared on the same basis as the consolidated financial statements, except as set out below:

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of Ricegrowers Limited.

Tax consolidation legislation

Ricegrowers Limited and its wholly-owned Australian subsidiaries have implemented the tax consolidation legislation as at 1 May 2004.

The head entity, Ricegrowers Limited, and the controlled entities in the tax consolidated Group account for their own current and deferred tax amounts. These amounts are measured as if each entity in the tax consolidated Group continued to be a stand alone taxpayer in its own right. In addition to its own current and deferred tax amounts, Ricegrowers Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and credits assumed from controlled entities in the tax consolidated Group.

5.d. Parent entity information (continued)

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Ricegrowers Limited for any current tax payable assumed and are compensated by Ricegrowers Limited for any current tax receivable and deferred tax assets relating to unused tax losses or credits that are transferred to Ricegrowers Limited under the tax consolidation legislation.

The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

Assets or liabilities arising under the tax funding agreement with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

Share-based payments

The grant by the company of rights over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking.

5.e. Subsidiaries with material non-controlling interests

Trukai Industries Limited – Summary financial information

Set out below is summarised financial information for Trukai Industries Limited. The amounts disclosed are before inter-company eliminations but after homogenisation to the Group accounting policies.

	2023 $000's	2022 $000's
Balance sheet		
Current assets	167,856	117,321
Non-current assets	31,552	32,161
Current liabilities	(124,904)	(83,941)
Non-current liabilities	(3,539)	(5,853)
Cash flows		
Net cash inflows from operating activities	10,504	2,433
Net cash inflows / (outflows) from investing activities	1,569	(3,333)
Net cash outflows from financing activities	(10,546)	(14,850)
Net increase / (decrease) in cash and cash equivalents	1,527	(15,750)

Significant restrictions

The ongoing difficulty in the availability of the USD currency in PNG is affecting Trukai's ability to repay its intercompany trade payable (details of which are available in note 4g – market risk). This indirectly impacts the cash balance held by Trukai (details of which are also available in note 4g – liquidity risk). This situation exposes the Group to the risk of a sudden devaluation of the PGK.

It is also important to note that the PGK is not a currency freely traded on currency markets. As a result, the cash balance accumulated by Trukai Industries may not always be repatriated on demand. This may result in additional borrowing cost to finance the Group's net working capital in the future and, if this amount of cash was to become unavailable for the Group, the Group's gearing and leverage ratios (disclosed in note 4a) would increase compared to their current level.

The Group continues to closely monitor economic conditions in PNG to proactively manage those risks.

5.f. Business combinations

Acquisition in 2023

Australian Waffle Company

In July 2022, SunRice's subsidiary, Riviana Foods Pty Ltd, completed the acquisition of The Australian Waffle Company (AWC) for a total cash consideration of $1,820,000. This strategic acquisition is providing local manufacturing capability in the baked goods category and a viable sourcing alternative helping to mitigate the impact of increases in the cost base of imported products.

The provisionally determined assets and liabilities recognised as a result of the acquisition are as follows:

	$000's
Inventory	62
Property, plant and equipment	1,032
Identifiable net assets acquired	1,094
Add: Goodwill	726
Purchase consideration transferred	1,820

The goodwill is attributable to the synergies expected to arise after the Group's acquisition of the new business. It has been allocated to the Riviana Foods segment and none of it is expected to be deductible for tax purposes.

Acquisitions in 2022

Pryde's Easifeed

In January 2022, SunRice's division, CopRice, completed the acquisition of Pryde's Easifeed. Details of this business combination were disclosed in note 5f to the Group's 2022 Annual Report and the net assets recognised were based on a provisional assessment of their fair value at the time, pending finalisation of the completion statement.

During the current reporting period, the completion statement was finalised and the following adjustments were made to the provisionally determined assets and liabilities recognised on acquisition. The 2022 comparative information has been restated to reflect the adjustment to the provisional amounts with respect to Goodwill.

	Final balances recognised on acquisition $000's	Provisional balances recognised on acquisition $000's
Cash and cash equivalents	472	472
Receivables	2,941	3,719
Inventory	2,032	2,032
Property, Plant and Equipment	8,202	8,202
Brand	8,315	8,315
Payables	(2,254)	(1,893)
Provisions	(1,503)	(804)
Deferred tax	(2,319)	(2,319)
Identifiable net assets acquired	15,886	17,724
Add: Goodwill	20,536	20,265
Purchase consideration transferred	36,422	37,989

Recognition and measurement

The acquisition method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interest issued by the Group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

5.f. Business combinations (continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition related costs in business combinations are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition date fair value of any previous equity interest in the acquired entity over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit and loss as a profit on acquisition.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Gains or losses arising from such remeasurement are recognised in profit or loss.

6. Other Disclosures

6.a. Related party transactions

Parent entity and subsidiaries

The ultimate parent entity and controlling party within the Group is Ricegrowers Limited. Interests in subsidiaries are set out in note 5a.

Directors and other Key Management Personnel

Directors and other Key Management Personnel compensation

	2023 $	2022 $
Short term employee benefits	6,026,481	5,463,005
Post-employment benefits	192,242	167,661
Share-based payments	1,707,505	1,616,614
Total compensation	7,926,228	7,247,281

Detailed remuneration disclosures are provided in the remuneration report available in the Directors report.

Directors and other Key Management Personnel (KMP) shareholding

Details of the Directors and other KMP interests in A and B Class Shares of Ricegrowers Limited, details of B Class Shares issued to Directors and their related entities pursuant to the Grower Share Purchase Plan, details of the movement in B Class Share rights held by KMP during the reporting period and details of the number and value of B Class Share rights granted, vested, exercised and forfeited under the Long Term Incentive and Other Equity awards during the year are provided in the remuneration report available in the Directors report.

Transactions with Directors and other Key Management Personnel

	2023 $		2022 $	
Transactions and outstanding balances	Transactions	Outstanding Balances	Transactions	Outstanding Balances
Purchases of rice from Directors	5,535,281	1,816,421	7,495,295	4,357,818
Sale of inputs to Directors	179,333	159,263	168,204	-
Other purchases from Directors	36,405	-	10,794	10,794
	5,751,019	1,975,684	7,674,293	4,368,612

There were no transactions with other Key Management Personnel.

Purchases of rice from Directors were made on identical terms to purchases of rice from other growers.

6.b. Share-based payments

Employee Long Term Incentive (LTI) Plan

Under the Group's Employee LTI Plan, participants are granted rights to ordinary B Class Shares of Ricegrowers Limited.

B Class Share rights are granted annually and vest at the end of a three year performance period.

They convert into one ordinary B Class Share each on vesting and/or exercise, aligned to the performance outcome.

From 2022 onwards, participants are entitled to receive an additional grant of B Class Shares for an amount equivalent to dividends that may be payable during the vesting period (and up to the exercise date) on any vested B Class Share rights.

If a participant ceases to be employed by the Group within the performance period, the B Class Share rights are forfeited, except in limited circumstances that are approved by the Board on a case-by-case basis.

	2023	2022
Number of B Class Share rights granted on 18 July 2022 (2022: 26 July 2021)	313,400	350,700
Fair value of B Class Share rights at grant date	$7.00	$6.70

6.b. Share-based payments (continued)

The fair value of the B Class Share rights at grant date was determined by taking the market price of the company's B Class shares on that date. No adjustment was required due to the dividend entitlement attached to the B Class Share rights during the vesting period.

Employee Other Equity Plans

Under the Group's Employee Other Equity plans, participants are granted rights to ordinary B Class Shares of Ricegrowers Limited.

B Class Share rights are granted on an ad-hoc basis and vest at the end of an individually determined service period.

They convert into one ordinary B Class Share each on vesting and/or exercise, aligned to the service outcome.

Participants are entitled to receive an additional grant of B Class Shares for an amount equivalent to dividends that may be payable during the vesting period (and up to the exercise date) on any vested B Class Share rights.

If a participant ceases to be employed by the Group within the vesting period, the B Class Share rights are forfeited, except in limited circumstances that are approved by the Board on a case-by-case basis.

	2023	2022
Number of B Class Share rights granted on 18 July 2022 and 15 December 2022 (2022: 2 June 2021 and 26 July 2021)	1,126,980	213,020
Fair value of B Class Share rights at grant date	$7.00 and $6.62	$6.70 and $6.65

The fair value of the B Class Share rights at grant date was determined by taking the market price of the company's B Class shares on each relevant date. No adjustment was required due to the dividend entitlement attached to the B Class Share rights during the vesting period.

Chief Executive Officer (CEO) Long Term Incentive (LTI) Plan

From time to time, the CEO may be granted rights to ordinary B Class Shares of Ricegrowers Limited under a dedicated LTI Plan.

The last offer was made to the CEO at the 2020 Annual General Meeting for the period from 1 May 2021 to 30 April 2024 (details of which are available in the remuneration report on page 64).

No additional LTI offers were made to the CEO in the current reporting period.

Employee Share Scheme

Employees who are Australian tax residents are eligible and may elect to participate in the Group's Employee Share Scheme (ESS).

Under the matching component of the scheme, eligible employees may be granted up to $1,000 worth of fully paid ordinary B Class Shares in Ricegrowers Limited annually for no cash consideration.

B Class Shares issued under the ESS may not be sold until the earlier of three years after issue or cessation of employment by the Group.

In all other respects, the B Class Shares rank equally with other fully paid ordinary B Class Shares on issue.

	2023	2022
Number of B Class Shares offered for no cash consideration under the plan to participating employees	25,726	25,165

Each participant was issued with ordinary B Class Shares on a market price with no discount (2022: no discount) of $7.44 (2022: $7.13), which was also determined as the grant date fair value of these B Class Shares.

Expenses arising from share-based payment transactions

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

	2023 $000's	2022 $000's
B Class Share rights granted under Long Term Incentive and Other Equity Plans	6,365	2,695
B Class Shares issued for no consideration under the Employee Share Scheme	189	179
Total share based payment expense	6,554	2,874

6.b. Share-based payments (continued)

Movement in B Class Share rights

	2023 Number of B Class Share rights	2022 Number of B Class Share rights
Balance at 1 May	1,424,180	1,647,890
B Class Share rights granted during the year	1,453,478	563,720
B Class Share rights forfeited during the year	(228,682)	(155,130)
B Class Share rights exercised during the year	(184,880)	(632,300)
Balance at 30 April	2,464,096	1,424,180
B Class Share rights vested and exercisable at 30 April	513,848	110,340

The weighted average remaining contractual life for the B Class Share rights outstanding at 30 April 2023 was 5.6 years (30 April 2022: 5.6 years).

The weighted average fair value of B Class Share rights granted during the year was $6.88 (2022: $6.70).

No B Class Share rights expired during the periods covered by the above table and B Class Share Rights exercised in the current and prior periods had no exercise price.

Recognition and measurement

Employee Share Scheme

Under the matching component of the Ricegrowers Limited Employee Share Scheme, B Class Shares are issued by the Ricegrowers Limited Employee Share Trust to employees for no consideration and these B Class Shares vest immediately on grant date. On this date, the fair value of the B Class Shares issued is recognised as an employee benefits expense with a corresponding increase in equity.

Employee Long Term Incentive Plan (including the Chief Executive Officer Long Term Incentive Plan) and Other Equity Plans

The fair value of B Class Share rights granted under the Ricegrowers Limited Employee Long Term Incentive Plan and Other Equity Plans is recognised as an employee benefits expense with a corresponding increase in equity.

The total amount expensed is determined by reference to the fair value of the B Class Share rights granted, excluding the impact of any service and/or non-market performance vesting conditions (e.g. Group financial and personal targets and remaining an employee of the Group over a specified period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of B Class Share rights that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Plan administration

The Employee Share Scheme, the Employee Long Term Incentive Plan (included the Chief Executive Officer Long Term Incentive Plan) and the Employee Other Equity Plans are administered by the Ricegrowers Limited Employee Share Trust, which is included in the consolidated financial statements.

6.c. Remuneration of auditors

During the reporting period, the following services were paid or payable to the auditor of the parent entity, its related practices and non-related audit firms:

Audit services	2023 $	2022 $
Fees paid to PricewaterhouseCoopers Australian firm	604,261	560,427
Fees paid to related practices of PricewaterhouseCoopers Australian firm	201,001	186,112
Fees paid to non-PricewaterhouseCoopers audit firm	54,143	54,143
Total remuneration for audit services	859,405	800,682

Taxation services	2023 $	2022 $
Fees paid to PricewaterhouseCoopers Australian firm	346,700	308,320
Fees paid to related practices of PricewaterhouseCoopers Australian firm	50,234	48,175
Total remuneration for taxation services	396,934	356,495

6.d. Events occurring after the end of the reporting period

On 22 June 2023, Ricegrowers Limited entered into a Share Buy-Back Agreement under which it will become the sole shareholder of Trukai Industries Limited in Papua New Guinea, in which it currently holds a 66.23% ownership interest. The transaction will facilitate the buy-back of all the shares held in Trukai by Melanesian Trustee Services Limited (as trustee and manager of the Pacific Balanced Fund) (representing a 33.77% ownership interest), for PGK42,500,000 (approximately AUD17,500,000).

Other than this event and the declaration of a fully franked final dividend of 40 cents per ordinary B Class Share, the Directors are not aware of any matter or circumstance, since the end of the financial year, not otherwise dealt with in this Annual Report that has significantly, or may significantly, affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods..

Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 76 to 131 are in accordance with the Corporations Act 2001, including:

i. complying with Australian 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 April 2023 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that Ricegrowers Limited will be able to pay its debts as and when they become due and payable.

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed Group identified in note 5c will be able to meet any liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 5c.

Note 1 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.

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

For and on behalf of the Board.

L Arthur Chairman	R Gordon Director

22 June 2023

Independent Auditor's Report

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Independent auditor's report

To the members of Ricegrowers Limited

Report on the audit of the financial report

Our opinion

In our opinion:

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

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

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

What we have audited

The Group financial report comprises:

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

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.

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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 $8.2 million which represents approximately 0.5% of the Group's revenue 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.
- We chose revenue from continuing operations because, in our view, it is an appropriate benchmark against which to measure the performance of the Group. We utilised a 0.5% threshold based on our professional judgement, noting it is within the range of 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.
- The Group comprises entities located in Australia, Papua New Guinea ("PNG"), the United States of America ("USA"), Singapore and other locations across the Asia Pacific and the Middle East, with the most financially significant operations being those located in Australia, Singapore and PNG. Accordingly, we structured our audit as follows:
  - The group audit was led by our team from PwC Australia ("group audit team"). The group audit team completed audit procedures in respect of the special purpose financial information of businesses operating in Australia, Singapore, the Middle East and the USA used to prepare the consolidated financial statements.
  - Under instruction from and on behalf of the group audit team, component auditors in PNG performed an audit of the special purpose financial information for that location used to prepare the consolidated financial statements.
- The group audit team decided on their level of involvement needed in the work performed by the component auditor, to be satisfied that sufficient appropriate evidence had been obtained for the purpose of our opinion. Review of the work undertaken by the component team, and regular dialogue between the teams up to the reporting date, supplemented the specific direct written instruction provided by the group audit team which augmented the reporting provided by the component auditor.
- The group audit team undertook the remaining audit procedures, including over significant financial statement items controlled at the Group level, the Group consolidation and the audit of the financial report and remuneration report.

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 Finance, Risk and Audit Committee.

Key audit matter	*How our audit addressed the key audit matter*
Sales revenue *(Refer to note 2b) [$1,634.5m]* The recognition of sales revenue was a key audit matter due to the financial significance of sales revenue to the consolidated income statement.	In obtaining sufficient, appropriate audit evidence, our procedures included, amongst others: • consideration and assessment of the Group's accounting policy; • testing, for a sample of transactions, whether revenue had been recorded at the correct amount and in the correct financial period, in accordance with the Group's revenue recognition policy. This included assessing whether: - evidence of an underlying arrangement with the customer existed; - appropriate performance obligations and consideration had been identified; - amounts allocated to the performance obligations were made with reference to their standalone selling prices and discount/rebate arrangements where relevant; and - the timing of revenue recognition had been appropriately considered and recognised in the appropriate period. • evaluating the related financial statement disclosures for consistency with Australian Accounting Standards requirements.
Inventory *(Refer to note 3b) [$569.9m]* Inventory was a key audit matter due to: • the financial significance of inventory to the consolidated balance sheet; • the geographically diverse locations where inventory is stored; and • the principles applied in determining the valuation of inventory.	We focussed our efforts on developing an understanding of and testing the methodology with which the Group recognises and values inventory. We considered the appropriateness of the Group's accounting policies in light of the requirements of Australian Accounting Standards. In obtaining sufficient, appropriate audit evidence, our procedures included, amongst others: • attending, observing and assessing stocktakes performed by the Group at a sample of locations and performing independent test counts where appropriate;

Key audit matter	*How our audit addressed the key audit matter*
	• reviewing the application of the Group's cycle count procedures; • obtaining confirmations of inventories held at a sample of locations; • evaluating whether any required adjustments identified from our count attendance, cycle count procedures or confirmations were appropriately reflected; • testing, for a sample of inventory items, whether the cost was recorded at the correct amount; • assessing the Group's inventory provisioning policy by comparing the prior period inventory provision to inventory written off in the current period and comparing the carrying value of inventory items to a recent sales price; and • evaluating the related financial statement disclosures for consistency with Australian Accounting Standards requirements.
Estimated recoverable amount of goodwill *(Refer to note 3i) [$58.1m]* Under Australian Accounting Standards, the Group is required to test goodwill annually for impairment at the cash generating unit (CGU) level. This assessment is inherently complex and requires judgement in forecasting the operational cash flows and determining discount rates and growth rates used in the cash flow models (the models). The recoverable amount of goodwill was a key audit matter given the: • financial significance of these intangible assets to the consolidated balance sheet; and • judgement applied by the Group in completing and concluding on the impairment assessment.	We focused our efforts on developing an understanding and testing the overall calculation and methodology of the Group's impairment assessment, including identification of the cash generating units (CGUs) of the Group for the purposes of impairment testing, and the attribution of assets, revenues and costs to those CGUs. In obtaining sufficient, appropriate audit evidence, our procedures included, amongst others: • assessing the reasonableness of cash flow forecasts included in the models with reference to historical earnings, Board and/or management approved budgets and forecasts; • testing the mathematical calculations within the models; • assessing the appropriateness of the discount rates and terminal value growth rates, with the assistance of PwC valuation experts; • considering the sensitivity of the models by varying key assumptions, such as terminal growth rates and discount rates; and • evaluating the related financial statement disclosures for consistency with Australian Accounting Standards requirements.

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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 April 2023, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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 56 to 73 of the directors' report for the year ended 30 April 2023. In our opinion, the remuneration report of Ricegrowers Limited for the year ended 30 April 2023 complies with section 300A of the *Corporations Act 2001*.

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Responsibilities

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

PricewaterhouseCoopers

PricewaterhouseCoopers

Mark Dow
Partner

Sydney
22 June 2023

Shareholder Information

The Shareholder Information set out below was applicable as at 8 June 2023.

Distribution of equity securities (B Class Shares only)

The analysis of the number of equity security holders by size of B Class shareholding is set out in the table below:

Holding	Number
1 - 1000	431,840
1,001 - 5,000	2,832,940
5,001 - 10,000	3,641,661
10,001 - 100,000	30,695,835
100,001 and over	25,757,006
	63,359,282

There were 92 holders of less than a marketable parcel of ordinary B Class Shares.

Equity security holders (B Class Shares only)

The names of the twenty largest holders (as individual entities in their own right) of quoted B Class equity securities are listed below:

Rank	Shareholder	No. of B Class Shares	% of issued B Class Shares
1	LOLLYPOP CREEK PTY LTD*	2,557,226	4.04%
2	AUSTRALIAN FOOD & AGRICULTURE COMPANY LIMITED	2,365,086	3.73%
3	PACIFIC CUSTODIANS PTY LTD**	1,959,983	3.09%
4	DELLAPOOL NOMINEES PTY LTD	807,809	1.27%
5	MENEGAZZO ENTERPRISES PTY LTD*	768,223	1.21%
6	GERMANICO SUPER PTY LTD	764,658	1.21%
7	MR ALAN DAVID WALSH	492,285	0.78%
8	AMBO FARMS PTY LTD	444,279	0.70%
9	FRANK ANTHONY DAL BON & JAN BRONWEN DAL BON	414,832	0.65%
10	TAURIAN PTY LTD	402,529	0.64%
11	NIGEL GEOFFREY LAMOND & KATHARINE JANET LAMOND	393,485	0.62%
12	INDUSTRY DESIGNS PTY LTD	381,790	0.60%
13	OJ MINATO PTY LTD	335,795	0.53%
14	AQUARIAN SUPER PTY LTD	334,621	0.53%
15	NEIL WILLIAM ROSE & BEVERLEY EDNA ROSE	328,413	0.52%
16	GF & SB LAWSON PTY LTD	327,139	0.52%
17	FS FALKINER & SONS PTY LTD	300,170	0.47%
18	YARRANVALE ESTATES PTY LTD	295,294	0.47%
19	PETER SALVESTRO LANDFORMING PTY LTD	280,818	0.44%
20	MARTIN VANDERSLUYS & IRIS LYNETTE VANDERSLUYS	277,287	0.44%
		14,231,722	**22.46%**

*Entities which together with other entities not part of the twenty largest holders are associates of MENEGAZZO ENTERPRISES PTY LTD
** This holding comprises B Class Shares held by 307 employees (and ex-employees) in relation to which Rob Gordon the CEO holds 563,580 B Class Shares. Detailed shareholdings related to KMP including Directors are also included in the Remuneration Report on pages 71 and 72.

Substantial holders (B Class Shares only)

Substantial holders in the company are set out below:

Shareholder	No. of B Class Shares	% of issued B Class Shares
MENEGAZZO ENTERPRISES PTY LTD (and associates)	3,826,406	6.0%

Under the Ricegrowers Limited Constitution, a B Class Shareholding Limit restricts a person (together with their associates) from holding more than 10% of the total number of B Class Shares on issue. In this context, a person will be deemed to "hold" a B Class Share if they have a relevant interest in that Share. If a person acquires B Class Shares in excess of the B Class Shareholding Limit, all rights (including voting and dividend rights) of that person in respect of the excess B Class Shares will be suspended, and the Directors may procure the disposal of the excess B Class Shares.

The continuation of the B Class Shareholding Limit is required to be approved by A Class Shareholders at SunRice's tenth annual general meeting after Listing and at each third annual general meeting thereafter. However, any removal of or variation to the B Class Shareholding Limit will require a special resolution (75% majority of the votes cast) of the A Class Shareholders and of the B Class Shareholders. If the requisite voting majorities to either retain or change the B Class Shareholding Limit are not achieved, the existing 10% B Class Shareholding Limit will remain in place through the Constitution, until such time as Shareholders can agree on a new B Class Shareholding Limit.

Dual class share structure and limited voting rights

SunRice has a dual class share structure, with B Class Shares being able to be held by investors generally and A Class Shares being limited to rice growers who meet the production quotas prescribed by the SunRice Constitution. This structure is designed to meet the needs of SunRice and its existing Shareholders, while giving investors exposure to the financial performance of SunRice.

Investors in SunRice hold B Class Shares, which have limited voting rights. In particular, B Class Shares do not generally confer on their holders the right to vote at a general meeting of SunRice. B Class Shareholders do not have the right to vote on the election of Directors or (except in relation to amendments which constitute a variation of the B Class Share class rights) on amendments to the Constitution. These are matters controlled by the A Class Shareholders.

The interests of A Class Shareholders are in achieving returns through Paddy Prices. The interests of B Class Shareholders are in achieving dividends on B Class Shares and improvement in the market price of B Class Shares. These interests have diverged since SunRice's dual class share structure was put in place on incorporation, and the proportion of B Class Shares held by A Class Shareholders has decreased. In making decisions, SunRice Directors must have regard to their duties under the Corporations Act and the general law to act in the best interests of SunRice as a whole. SunRice Directors have actively managed the divergent interests of A and B Class shareholders for more than 10 years, and the Directors believe they have demonstrated a strong track record in balancing the interests of both classes of Shareholders. In addition, the Board has adopted procedures to manage any potential conflict or divergence of interests which may arise, including delegation of the decision to a committee of non-conflicted Directors. These procedures are set out in the SunRice Conflict of Interest Policy, a copy of which is available on SunRice's website.

Summary of SunRice's non-standard elements

The structure of Ricegrowers Limited contains non-standard elements, including:

1. The Company has a dual class share structure with differential voting rights:
   - A Class Shares, which are redeemable preference shares, confer on their holders the right to vote at general meetings of the Company. A Class Shareholders have no right to dividends or distributions, other than the right to be repaid the amount paid up on the A Class Shares on redemption or a winding up of the Company. A Class Shares are not quoted on the ASX and can only be held by rice growers who meet the production quotas prescribed by the SunRice constitution.
   - B Class Shares, which are quoted on the ASX, confer on their holders the right to receive dividends but no right to vote at general meetings. The right of B Class Shareholders to vote on matters relating to the Company is generally limited to proposals involving a variation of their class rights (including those matters deemed to vary their class rights under the Company's Constitution) and as required for the purposes of the ASX Listing Rules.
2. The Company's Constitution imposes the following shareholding limits on A Class Shares and B Class Shares:
   - A Class Shareholding Limit: a person must not hold more than 5 A Class Shares.
   - B Class Shareholding Limit: a person must not hold a number of B Class Shares which, when aggregated with any B Class Shares held by all associates of that person, exceeds 10% of the total number of issued B Class Shares.
3. Under transitional provisions in the Company's Constitution, the board of directors of the Company is currently to comprise of up to 10 directors, including:
   - up to two Grower Directors who are elected members of the Rice Marketing Board for the State of New South Wales (RMB). These directors will hold office for the same period as their term of office as elected members of the RMB;
   - up to four other Grower Directors. These directors will hold office for four years or such other periods as the A Class Shareholders may determine in a general meeting; and
   - up to four Non-Grower Directors, one of whom may be an employee of the Company. These directors will hold office for such term as the A Class Shareholders may determine in general meeting, except that the managing Director is not subject to the retirement requirements of the Constitution.

Sustainability Performance Data

Making a difference to the sustainability of places and lives

Our business

Performance Data	Crop Year 20 Financial Year 21	Crop Year 21 Financial Year 22	Crop Year 22* Financial Year 23	Material Topic
Group revenue	**$1.03** billion	**$1.33** billion	**$1.64** billion	Financial challenges in the supply chain
Australian Paddy Price[1]	**A$750 Fixed Price** per tonne (Reiziq)	**A$475 Fixed Price** per tonne (Reiziq) **A$428 Pool Price** per tonne (Reiziq)	**A$400 Fixed Price** per tonne (Reiziq) **A$461 Pool Price** per tonne (Reiziq)	

Making a difference to our environment

Minimise the envrionmental impact of our products from farm to table

Water productivity

Supporting the industry towards the most water efficient rice paddies globally

Performance Data	Crop Year 20 Financial Year 21	Crop Year 21 Financial Year 22	Crop Year 22* Financial Year 23	Material Topic
FY2024 TARGET	Australian Rice Emissions Reduction Pilot			
Australian Rice Emissions Reduction Pilot stats	Data not reported	Data not reported	**In progress** In future years, we will look to report on actual rice GHG emissions and associated reduction activities.	R&D and agronomics Water management Secure rice supply Product quality and safety Role in local economies Climate change
FY2024 TARGET	Continue Australian rice industry extension, with the majority of grower extension activities focused on water productivity			
Touch points with our growers, from field days to podcasts, all focused on sharing best practice	Data not reported	**1,600+**	**9,910**	R&D and agronomics Water management Secure rice supply Product quality and safety Role in local economies Climate change

Making a difference to our environment

Minimise the envrionmental impact of our products from farm to table

Water productivity

Supporting the industry towards the most water efficient rice paddies globally

Performance Data	Crop Year 20 Financial Year 21	Crop Year 21 Financial Year 22	Crop Year 22* Financial Year 23	Material Topic
FY2024 TARGET	Continue supporting Rice Breeding Australia to develop rice varieties that increase water productivity and decrease GHG emissions			
Continue providing support to Rice Breeding Australia	Not applicable	Not applicable	**Yes** Rice Breeding Australia was established on 1 June 2022 to drive development of new varieties for the rice industry, with an increased focus on water productivity improvements and acceleration of rates of genetic grain in rice breeding in Australia.	R&D and agronomics Water management Secure rice supply Product quality and safety Role in local economies Climate change
LONG TERM TARGET	Support the broader Australian rice industry's aspirational target of 1.5 tonnes per megalitre for Australian rice by the end of 2027[2]			
Average paddy tonnes produced per megalitre of irrigated water[3]	**0.88** tonnes per megalitre	**0.73** tonnes per megalitre	**1.06** tonnes per megalitre **0.91** tonnes per megalitre 5 year weighted average	R&D and agronomics Water management Secure rice supply Product quality and safety Role in local economies Climate change
LONG TERM TARGET	Operational water efficiency			
Total water withdrawal from all areas[4,5] Operational data only	Data not reported	Data not reported	**145.50 ML**	Water management
Total water withdrawal Irrigation water for growing crops at Rice Research Australia (R&D facility)	Data not reported	Data not reported	**1,154.00 ML**	
Total water withdrawal from all areas with water stress[5,6] Operational data only	Data not reported	Data not reported	**107.39 ML** **1,261.39 ML** including R&D Facility irrigation water	
Total water discharge[5,6,7] Operational data only	Data not reported	Data not reported	**49.91 ML**	
Total water discharge to all areas with water stress[5,6] Operational data only	Data not reported	Data not reported	**42.23 ML**	
Total water consumption from all areas[5,6] Operational data only	Data not reported	Data not reported	**95.59 ML** **1,249.59 ML** including R&D Facility irrigation water	
Total water consumption from all areas with water stress[5,6] Operational data only	Data not reported	Data not reported	**65.16 ML** **1,219.16 ML** including R&D Facility irrigation water	

Making a difference to our environment

Minimise the envrionmental impact of our products from farm to table

Climate resilience

Net zero emissions across our value chain by 2050

Partner with growers to create a step change in reducing emissions

Performance Data	Crop Year 20 Financial Year 21	Crop Year 21 Financial Year 22	Crop Year 22* Financial Year 23	Material Topic
FY2024 TARGET	Achieve a 2% annual improvement in energy efficiency			
Group total energy consumed[8,9]	**365,884** GJ	**499,761** GJ	**521,744** GJ	Energy efficiency and energy reduction Climate change
Group energy intensity[8,9] Total GJ per tonne of FP produced	**0.499** GJ / FP tonne	**0.397** GJ / FP tonne	**0.386** GJ / FP tonne	
Annual improvement in energy efficiency	Data not reported	**20.5%** annual improvement	**2.9%** annual improvement	
LONG TERM TARGETS	By 2030, Scope 1 and 2 and non-FLAG Scope 3: • 25% reduction in emissions • 100% renewable electricity Net zero by 2050			
Group Scope 1 emissions[8,9,30] Gross direct emissions	**9,595** tonnes of CO2e	**10,402** tonnes of CO2e	**10,867** tonnes of CO2e	Energy efficiency and energy reduction Climate change
Group Scope 1 emissions[9,11] Biogenic emissions	Data not reported	Data not reported	**110** tonnes of CO2e	
Group Scope 2 emissions[8,9] Gross location-based indirect emissions	**40,324** tonnes of CO2e	**65,124** tonnes of CO2e	**59,445** tonnes of CO2e	
Group Scope 2 emissions[9,32] Gross market-based indirect emissions	Data not reported	Data not reported	**58,952** tonnes of CO2e	
Group Scope 3 emissions[9,13] Operational water, waste and utility fugitive emissions only	Data not reported	Data not reported	**16,830** tonnes of CO2e	
Group emissions intensity[8,9,10] Total tonnes of CO2e per tonne of finished product (FP) produced[5]	**0.068** Tonnes of CO2e / FP tonne	**0.060** Tonnes of CO2e / FP tonne	**0.052** Tonnes of CO2e/FP tonne (Scope 1 & 2) **0.064** Tonnes of CO2e/FP tonne (Scope 1, 2 & 3)	
Significant air emissions[12]	Data not reported	Data not reported	**10,928 kg** VOCs **22,091 kg** NOx **222 kg** SOx **2,507 kg** PM 2.5 **2,634 kg** PM 10	

Making a difference to our environment

Minimise the envrionmental impact of our products from farm to table

Climate resilience

Net zero emissions across our value chain by 2050

Partner with growers to create a step change in reducing emissions

Performance Data	Crop Year 20 Financial Year 21	Crop Year 21 Financial Year 22	Crop Year 22* Financial Year 23	Material Topic
FY2024 TARGET	Develop our Net Zero Roadmap and submit our SBT for validation to the SBTi			
Progress towards submission of Net Zero Roadmap to the SBTi	Data not reported	Data not reported	**Roadmap and sub-mission in progress** We will report on our progress and net zero roadmap in future years.	Energy efficiency and energy reduction Climate change

Adopt TCFD recommendations

Performance Data	Crop Year 20 Financial Year 21	Crop Year 21 Financial Year 22	Crop Year 22* Financial Year 23	Material Topic
LONG TERM TARGET	Implement TCFD recommendations			
Progress towards TCFD recommendations	Data not reported	TCFD Report disclosed[36]	**TCFD Report updated as required**	Energy efficiency and energy reduction Climate change

Waste Reduction

Toward zero waste from our products and packaging

Performance Data	Crop Year 20 Financial Year 21	Crop Year 21 Financial Year 22	Crop Year 22* Financial Year 23	Material Topic
FY2024 TARGET	100% of all Australian and New Zealand products displaying the Australasian Recycling Label (ARL) by the end of FY2024 including working towards implementing future guidance from APCO regarding the recycling of soft plastics			
% of Group product displaying the Australasian Recycling Label (ARL)[14,15,16]	**41%** SunRice only	**36%** Group	**50%** Group	R&D and agronomics Role in local economies Product safety & quality
LONG TERM TARGETS	Meet Australian Packaging Covenant Organisation (APCO) targets by the end of 2025: • 0% single use • 100% reusable, recyclable or compostable • 50% recycled content			
% of product packaging on the Australian market that is 100% recoverable and/or reusable at end-of-life (by SKUs)[14,15]	Data not reported	Data not reported	**97%** of products don't have litter	R&D and agronomics Role in local economies Product safety & quality
% of product packaging on the Australian market that is conditionally recyclable and/or kerbside recyclable (by weight)[14,15,17]	**99%** SunRice only	**97%** Group	**99%** Group	
% of product packaging on the Australian market that is made of recycled content[14,15]	Data not reported	**8%** Group	**15%** Group	
% of Group product packaging SKUs optimised against sustainable packaging guidelines based on APCO[14,18]	**63%** SunRice only	**100%** SunRice, table rice only **36%** Group	**100%** SunRice, table rice only **74%** Group	

Making a difference to our environment

Minimise the envrionmental impact of our products from farm to table

Waste Reduction

Toward zero waste from our products and packaging

Performance Data	Crop Year 20 Financial Year 21	Crop Year 21 Financial Year 22	Crop Year 22* Financial Year 23	Material Topic
FY2024 TARGET	50% reduction in operational waste to landfill by end FY2024 against the Group's FY2022 baseline			
Total weight of waste generated[19,20]	Data not reported	Data not reported	**21,687** tonnes	R&D and agronomics Role in local economies Product safety & quality
Total weight of waste diverted from landfill[10,19,20,23]	**13,522** tonnes[21]	**20,333** tonnes[21]	**15,461** tonnes	
% of tonnes of waste diverted (recycled, reused) from landfill[10,19,20,23]	**63.5%**	**75.8%**	**71.3%**	
% of rice hulls resulting from the yearly rice production which are on sold for reuse[19,23]	**100.0%**	**96.6%**	**83.5%**	

Making a difference to our communities

Partner with communities to enrich lives socially and economically, leveraging our expertise wherever we operate

Resilient communities

Our communities consider SunRice a vital part of their ecosystem

Performance Data	Crop Year 20 Financial Year 21	Crop Year 21 Financial Year 22	Crop Year 22* Financial Year 23	Material Topic
FY2024 TARGET	Implement new Community Engagement Strategy to deliver long term target			
Value of donations to community organisations[24]	Data not reported	**$1.04** million	**$1.1** million	Our people Role in local economies
FY2024 TARGET	600,000 meals donated between FY2022-FY2024			
Number of meal equivalents donated[25]	Data not reported	**480,000+** meals	**697,755** meals	Our people Role in local economies
FY2024 TARGET	Test and implement socio-economic impact assessment methodology, providing a framework to track performance			
LONG TERM TARGET	Contribute to the resilience of the communities where we operate in a measurable way			
Socio-economic impact	Data not reported	Data not reported	Project in progress, with aim to report on socio-economic impact assessment in FY2024.	Our people Role in local economies
LONG TERM TARGET	2,000 hours volunteered by employees			
Number of hours volunteered by employees	Data not reported	Data not reported	**573** hours	Our people Role in local economies

Making a difference to our communities

Partner with communities to enrich lives socially and economically, leveraging our expertise wherever we operate

Respecting human rights

Equity and equality across our operations and supply chain

Performance Data	Crop Year 20 Financial Year 21	Crop Year 21 Financial Year 22	Crop Year 22* Financial Year 23	Material Topic
FY2024 TARGET	100% of SunRice owned sites with refreshed social and ethical audits by the end of FY2024			
Cumulative number of sites with social and ethical audits	Data not reported	**6** sites	**12** sites	Our people Labour practices Role in local economies
FY2024 TARGET	Continue to implement the supplier Mutual Recognition Program making it easier for suppliers to comply with our Supplier Sustainability Program			
LONG TERM TARGET	Continue to implement Supplier Sustainability Program			
Number of employees who have completed role-relevant training on the Australian Modern Slavery Act's requirements in support of our Supplier Sustainability Program[26]	**527**	**172**	**523**	Our people Labour practices Role in local economies
The number of suppliers who have been risk assessed in EiQ	**2,000+**	**5,000+**	Supplier risk assessment in EiQ refreshed every 24 months.	
The number of suppliers who underwent a specific assessment for social impacts[27]	Data not reported	Data not reported	**27+** new and existing suppliers **1.2%** of new vendors[28]	
Monetary value of political contributions expenses related to meetings with political members[29]	Data not reported	Data not reported	**<$20,000**	Anti-bribery and corruption Our people Role in local economies
Training of employees – Anti-Bribery and Corruption (ABC)	**All ABC training is up to date.** All new starters complete online training with employees working in medium and high risk settings receiving alternate face to face and online training each year.			
Confirmed incidents of corruption	Data not reported	Data not reported	**<5**	
Confirmed incidents of corruption in which employees were dismissed or disciplined for corruption	Data not reported	Data not reported	**<5**	
Confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	Data not reported	Data not reported	**<5**	
Public legal cases regarding corruption brought against the organisation or its employees	Data not reported	Data not reported	**0 cases**	

Making a difference with nourishing products

Create nutritious products to improve the lives of consumers

Food security & quality

Secure, nourishing and quality products

Performance Data	Crop Year 20 Financial Year 21	Crop Year 21 Financial Year 22	Crop Year 22* Financial Year 23	Material Topic
LONG TERM TARGET	Maintain SunRice controlled operations maintain GFSI recognised standard			
Number of facilities meeting specified quality standards	All SunRice manufacturing sites hold food safety and quality certification to the Codex HACCP International Food Standard. Additional quality and related certifications are held at sites according to the needs of the business and customer requirements. These include GFSI, non-GMO, Halal, Kosher, FeedSafe and Organic certifications.			Product Safety and Quality
LONG TERM TARGET	Leverage our global sourcing expertise to deliver quality and affordable products to local communities			
Number of regions (countries) rice sourced from	12	11	12	R&D and agronomics Financial challenges in the supply chain Water management Secure rice supply Product quality and safety
Number of Australian growers[3]	105	475	514	
LONG TERM TARGET	Continue to invest in efficiency of rice breeding and extension programs to improve on farm productivity (yield/ha), quality and genetic purity			
Tonnes of rice harvested[3]	45,000 paddy tonnes harvested	417,000 paddy tonnes harvested	688,000 paddy tonnes harvested	R&D and agronomics Financial challenges in the supply chain Water management Secure rice supply Product quality and safety
Tonnes of paddy rice per hectare average yield[3]	10.62 tonnes per hectare	9.44 tonnes per hectare	11.2 tonnes per hectare	
Government and University partnerships	28	28	28	
LONG TERM TARGET	Continuous improvement in Australian Pure Seed Program			
Number of generations in our Pure Seed Program	Data not reported	6 generations	6 generations	R&D and agronomics Financial challenges in the supply chain Water management Secure rice supply Product quality and safety

Governance

Our people

Performance Data	Crop Year 20 Financial Year 21	Crop Year 21 Financial Year 22	Crop Year 22* Financial Year 23	Material Topic
Total employees	1,953	2,059	2,126	Our people Labour practices Role in local economies
Female employees	543	548	586	
Male employees	1,410	1,511	1,540	
Diversity statistics at board, senior management, senior executive, and total women	See full graphs in 2021 Corporate Governance Statement (page 7)	See full graphs in 2022 Corporate Governance Statement (page 7)	See full graphs in 2023 Corporate Governance Statement (page 8)	
Senior Management positions held by women[31]	40%	42%	45%	
Number of employees who undertook leadership development courses	31	22	165	
Generational statistics	9% Baby Boomers 34% Gen X 46% Gen Y 11% Gen Z	8% Baby Boomers 31% Gen X 48% Gen Y 12% Gen Z	7% Baby Boomers 30% Gen X 54% Gen Y 9% Gen Z	
Average age of employees	38	39	39	
Indigenous employees[1]	3.4%	3.4%	4.7%	
Employee Engagement Score[33]	75% (Global)	Survey conducted every 12–24 months	77% (Global)	
Average tenure	6.4	6.0	5.6	

SUSTAINABILITY PERFORMANCE DATA

Governance

Our safety

Performance Data	Crop Year 20 Financial Year 21	Crop Year 21 Financial Year 22	Crop Year 22* Financial Year 23	Material Topic
Fatalities as a result of work-related injury[34]	Data not reported	Data not reported	0 fatalities 0%	Our people Labour practices Work health and safety
High-consequence work-related injuries excluding fatalities[34]	Data not reported	Data not reported	0 high-consequence injuries 0%	
Recordable injuries[34,35]	62	48	31	
Number of hours worked[34]	Data not reported	Data not reported	4,470,285 hours	
TRIFR (per million hours worked)	15.49	11.26	6.93	
Change in TRIFR	Increase of 16.7% from CY19	Decrease of 27.3% from CY20	Decrease of 35.4% from CY21	
Change in lost time injury frequency rate (LFIFR)	Data not reported	Decrease of 55.8% from CY20	Decrease of 30.8% from CY21	
Safety training completion rate	95.0%	93.2%	92.6%	
Safety leadership activities	99.5%	99.6%	100%	
Safety Action Closure Rate	Data not reported	96.7%	98.0%	
Safety Hazard Closure Rate	Data not reported	99.3%	97.8%	
Workers operating under OHS certifications	Data not reported	80%	80%	

* Unless otherwise stated all disclosures in the Annual Report and this performance data table relate to the Financial Year ended 30 April 2023 (FY2023).

1. Australia only.
2. sunrice.com.au/AR23/rice-breeding-in-australia (agrifutures.com.au).
3. Riverina only.
4. Excludes Rice Research Australia (R&D Facility).
5. Global data for facilities under SunRice Group's operational control. Third-party water use only. All water is freshwater. Water usage measured through utilities bills.
6. Water stress is defined as regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool, available here: sunrice.com.au/AR23/water-risk-atlas (www.wri.org)
7. As human and animal food manufacturers, the SunRice Group uses ingredients that are fit for consumption, and therefore we do not discharge priority substances of concern that cause irreversable damage to the ecosystem or human health.
8. Historical data has been updated to reflect data quality improvements.
9. Global data for facilities under SunRice Group's operational control. Australian data prepared as per NGER reporting standards. International data calculated based on available data. Utilities data is either collated automatically or through site representatives capturing data from utilities invoices and consolidating these into a Group-wide reporting platform. Gases include: CO2, CH4 and N20.
10. International data calculated based on available data. Gases included: CO2, CH4 and N20. Scope 1 (excluding biogenic), Scope 2 and Scope 3 emissions included (operational water and waste). Previously, only Scope 1 and Scope 2 were recorded.
11. The only source of Biogenic Emissions across SunRice Group's operations is the burning of hulls for energy in Vietnam.
12. Global data for facilities under SunRice Group's operational control. Signficant air emissions have been calculated using National Standards for volatile organic compounds (VOCs), NOx, SOx and Particulate Matter (PM) as a result of stationary combustion, in accordance with the National Pollutant Inventory Emission estimation technique manual for Combustion engines 2008.
13. Land use change emissions are excluded from this calculation. This data is recording operational water, waste and transmission losses only.
14. Reporting as per APCO requirements for 1 January to 31 December 2022.
15. Excludes some CopRice SKUs, including Prydes, which will be incorporated into APCO reporting in FY2024.
16. With the collapse of REDcycle impacting the conditional recyclability of soft plastics, this figure will decrease significantly in next reporting period in accordance with the ACCC's recommendation to remove the REDcycle logo and conditionally recyclable ARL from packaging.
17. Applicable question in Annual APCO Report: '% of SKUs with all components that are reusable, recyclable or compostable'. In FY2023, 63% of SunRice SKUs met this definition compared to 56% in FY2022. With the collapse of REDcycle impacting the conditional recyclability of soft plastics, this figure will decrease significantly in next reporting period.
18. With the collapse of REDcycle impacting the conditional recyclability of soft plastics, this figure will decrease significantly in next reporting period as optimisation of soft plastics for REDcycle has occured for SunRice products.
19. Global data for facilities under SunRice Group's operational control.
20. Hazardous waste has been excluded, with hazardous waste sources being feminine hygiene and and lab waste, which is minimal. Utilities data is collated automatically where possible or through site representatives capturing data from utilities invoices and consolidated into a Group-wide reporting platform.
21. All waste is disposed offsite, except for hulls. FY2022 data included forecasted data. This has been updated to reflect actual performance. This includes waste that was diverted for recycling and reuse, as well as waste that was donated or sold.
22. Excludes hulls, as these are a by-product.
23. All waste is disposed offsite, except for hulls.
24. Includes cash and product donations. Excludes value of volunteering hours.
25. One meal is equivalent to 555g of product donated.
26. Training is role-specific and is valid for two years.
27. % of vendors includes all new vendors (excluding farms) that were identified for a supplier risk assessment in accordance with our Supplier Sustainability Program.
28. 1.2% of new vendors set-up in our accounting software.
29. The SunRice Group did not make any political donations, however this value represents expenses related to meetings with political members.
30. Land use change emissions are excluded from this calculation. Excludes biogenic emissions (all years).
31. Senior Management includes Senior Executives and their direct and indirect reports, who have responsibility for creation and implementation of long term strategy, autonomy to operate and/or leadership responsibilities.
32. Market-based emissions assumptions account for renewable electricity in the grid in Australia and California. For the other countries, we have used location based data as a proxy as they do not have any renewable energy purchases.
33. Survey is conducted every 12–24 months.
34. Data includes all employees and all workers who are not employees but whose work and/ or workplace is controlled by the organisation.
35. Muscular-skeletal injury is the main type of work-related injury. No recordable injuries occurred for workers who are not employees of SunRice but are controlled by the organisation.
36. sunrice.com.au/AR23/tcfd-2022

Corporate Directory

SunRice Registered Office

57 Yanco Avenue
Leeton, NSW 2705
Australia
Tel +61 2 6953 0411

Subsidiaries

Riviana Foods Pty Ltd
Level 1, Tower 1
1341 Dandenong Road
Chadstone, VIC 3148
Australia
Tel +61 3 8567 1000

Australian Grain Storage Pty Ltd
57 Yanco Avenue
Leeton, NSW 2705
Australia
Tel +61 2 6953 0411

Rice Research Australia Pty Ltd
57 Yanco Avenue
Leeton, NSW 2705
Australia
Tel +61 3 5886 1391

Trukai Industries Limited
Mataram Street
Lae MP 411
Papua New Guinea
Tel +675 472 2466

Solomons Rice Company Limited
Trading as SolRice
Ranadi, Honiara
Solomon Islands
Tel +677 30826

SunFoods LLC
Suite 202, 194 West Main Street,
Woodland, 95695
California, USA
Tel +1 530 661 1923

Ricegrowers Singapore Pte Ltd
47A Duxton Road
Singapore 089511
Tel +65 6904 5633

Ricegrowers Middle East DMCC
Unit 25 F&G, Level 25, Almas Tower
Jumeirah Lake Tower
Dubai, UAE
Tel +971 4458 5480

Ricegrowers Vietnam Company Limited
Tan An Hamlet
Binh Thanh Trung Commune
Lap Vo District - Dong Thap Province
Vietnam
Tel +84 88 922 7700

Ricegrowers New Zealand Ltd
1 Bisley Road
Enderley, Hamilton 3214
New Zealand
Tel +64 7 855 2181

Aqaba Processing Company
Aqaba Special Economic Zone
Southern Seashore, Aqaba
Jordan
Tel +962 3 201 4285

Directors

Laurie Arthur
Chairman
Non-executive Director – Grower

John Bradford
Deputy Chairman
Non-executive Director – Grower
(Elected RMB Director)

Rob Gordon
Chief Executive Officer
Executive Director – Non-Grower

Luisa Catanzaro
Non-executive Independent Director – Non-Grower

Andrew Crane
Non-executive Independent Director – Non-Grower

Ian Glasson
Non-executive Independent Director – Non-Grower

Ian Mason
Non-executive Director – Grower
(Elected RMB Director)

Jeremy Morton
Non-executive Director – Grower

Dr Leigh Vial
Non-executive Director – Grower

Julian Zanatta
Non-executive Director – Grower

Corporate Management Team

Rob Gordon
Chief Executive Officer

Dimitri Courtelis
Chief Financial Officer

Belinda Tumbers
Chief Executive Officer, Global Rice

Kate Cooper
General Counsel and Company Secretary

Stephen Forde
Chief Executive Officer, Riviana Foods Pty Ltd

Ganesh Kashyap
General Manager, CopRice

Alan Preston
Chief Executive Officer, Trukai Industries Ltd

Paul T Parker
General Manager, People and Culture

Auditor

PricewaterhouseCoopers
One International Towers
Watermans Quay
Barangaroo, NSW 2000
Australia

Share Registry

Link Market Services Limited
Locked Bag A14
Sydney South, NSW 1235
Australia
Tel +61 1300 554 474

Notice of Annual General Meeting

The Annual General Meeting of Ricegrowers Limited will be held at 10.00am at the Leeton Soldiers Club, Corner Acacia and Yanco Avenues, Leeton, with registration commencing at 9.00am on Wednesday, 23 August 2023

Stock Exchange Listing

Ricegrowers Limited's B Class Shares are listed on the Australian Securities Exchange (ASX) – code SGLLV.

Website

www.sunrice.com.au

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SunRice Group

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