

Fighting Against Forced Labour and Child Labour in Supply Chains Act

GrainCorp Operations Limited

Annual Report

(Fiscal Year 2023)

1. Introduction

The Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) requires that businesses state the steps taken during the previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity, or of goods imported into Canada.

This Annual Report is a report for GrainCorp Operations Limited ACN 003 875 401 (hereafter referred to as GrainCorp), an Australian company meeting the criteria of a reporting entity under the Act, and covers the period 1 October 2022 to 30 September 2023.

GrainCorp Operations Limited is a wholly owned subsidiary of GrainCorp Limited, a public company listed on the Australian Securities Exchange. GrainCorp Operations Limited is also reporting entity under the Australian Modern Slavery Act 2018 (Cth). GrainCorp Limited’s Modern Slavery Statement is publicly available on the Corporate Governance section of our website: graincorp.com.au.

GrainCorp Operations Limited is the owner indirectly of the following Canadian entities GrainCorp Canada Inc (reg no 819037-2) and GrainCorp Operations Canada Inc (reg BC1056947).

2. Steps taken to prevent and reduce the risk of forced labour or child labour

GrainCorp continues to consider modern slavery risks and the potential for the company (or its controlled entities) to cause, contribute or be directly or indirectly linked to modern slavery through our operations and supply chains on an ongoing basis.

Risk is inherent in GrainCorp’s daily operations and the ability to achieve our goals depends heavily on how effectively risk is managed. GrainCorp’s risk management objective is to ensure all material risks are identified and measures are implemented to mitigate or otherwise manage those risks.

In the context of GrainCorp’s objective to protect human rights in our operations and supply chain, and act ethically and with integrity in all business dealings, our approach to identifying modern slavery risk is integrated into our systematic approach to risk management.

In FY22, we commenced building an ESG Supplier Risk Assessment methodology to assess risks in our supply chain and identify areas for immediate focus. The methodology assesses the product or service, operating location, and supplier-specific information to form a risk rating. The methodology considers ESG risks relating to modern slavery, labour standards, health and safety, business ethics and environmental impacts. A range of globally recognised resources are used as a reference point for the risk assessment including the UN Human Rights Index, the Walk-Free Global Slavery Index and the Sedex¹ Radar tool. Ingredients supplied to GrainCorp Human Nutrition featured among the high- risk category and formed the focus of our FY22 responsible sourcing efforts.

In FY23, in line with a staged implementation of our responsible sourcing program, we took steps to enhance the ESG Supplier Risk Assessment methodology. Fair Supply, specialists in providing technology driven visibility over supply chain ESG Risk, conducted specific risk assessments for biodiversity loss and modern slavery, over GrainCorp’s spend. The modern slavery assessment

¹ Sedex is a membership organisation that provides one of the world’s leading online platforms for companies to manage and improve working conditions in global supply chains. They provide practical tools to help companies improve their responsible and sustainable business practices, and source responsibly.

provided a deeper level of visibility of GrainCorp’s modern slavery risk in our Tier 1, 2 and 3 suppliers².

The modern slavery risk assessment has confirmed our previously identified areas of potential risk remain the same, and GrainCorp’s overall modern slavery profile remains low. In addition, the risk assessment highlighted Ukrainian agriculture as an industry sector with a high inherent risk of modern slavery.

The Walk Free Global Slavery Index notes that the Europe and Central Asia region has the second highest prevalence of modern slavery in the world due to a high population of migrant workers, both from within and outside the region, who are vulnerable to being trapped in situations of debt bondage and exploitation. Forced labour exploitation has been reported in several sectors in Ukraine, including in the agriculture sector prior to the events of February 2022. While our Ukraine operations remain on pause, all international grains, oilseeds and commodity suppliers are subject to due diligence and ongoing screening, including for human rights violations³.

3. GCC Structure, Activities and Supply Chains

Structure

GrainCorp Operations Limited buys is a wholly owned subsidiary of GrainCorp Limited. GrainCorp Limited is a public company, listed on the Australian Securities Exchange. It is a diversified Australian agribusiness, with integrated operations spanning four continents and a proud history of delivering for our customers for more than 100 years.

GrainCorp employ six employees in Canada through GrainCorp Canada Inc., a registered company in Canada, based in Winnipeg, Manitoba.

Canadian Activities

In Canada, GrainCorp Operations acts as a grain marketer, operating along the grain chain as an “end to end” supplier of Canadian grain to domestic and international customers. It originates grain and oilseeds through its Joint Venture, GrainsConnect, as well as third parties. Additionally, GrainCorp originates and markets organic grains and oilseeds both domestically within Canada and the United States but also from other origins including India, Argentina, and Uruguay.

Global Activities

Globally, GrainCorp partners with growers to maximise the value of their crops, connecting them to domestic and global marketplaces through our end-to-end supply chain and infrastructure assets. We develop innovative solutions to create high quality and sustainable products across Human Nutrition, Animal Nutrition and Agri-Energy for domestic and international customers.

Further details on GrainCorp’s business, operating structure and joint ventures are outlined in our 2023 Annual Report and 2023 Sustainability Report, which are available on our website:

graincorp.com.au.

² Within supply chains, there are multiple tiers of suppliers: Tier 1 represent suppliers with whom we have a direct relationship, Tier 2 represents suppliers to our Tier 1 suppliers, Tier 3 represents suppliers of Tier 2 and so on.

³ <https://www.walkfree.org/global-slavery-index/findings/regional-findings/europe-and-central-asia/>

Supply Chain

GrainCorp's supply chains include the storage, transportation and processing of grains and oilseeds. Our supply chains also facilitate the import and export of a range of commodities which are ingredients or other inputs in our value-added manufacturing operations or those of our customers.

GrainCorp procures a broad range of goods and services from several thousand suppliers across our operating regions of Australia and New Zealand, Canada, the UK and Ukraine.

Globally, the main goods and services we source are:

- Commodities including grains, oilseeds (canola), oils (palm, coconut, sunflower, soybean) and UCO.
- Variable labour to supplement the needs of the permanent workforce where we do not have an ongoing or fixed need for the labour, supplied through third-party employment agencies.
- Logistics (third-party logistics warehouses, road, rail and ocean freight).
- Packaging and ingredients.
- Grain handling and food manufacturing equipment.
- Plant and equipment maintenance services including consumables, chemicals and processing aids.
- Bunker consumables (tarpaulins, fumigants).
- Personal protective equipment (PPE), including clothing and footwear.
- Office-based support and equipment including IT hardware and systems, stationery, and cleaning services.

In Canada, GrainCorp has a Joint Venture with Zennoh in GrainsConnect Canada(GCC) which operates four high throughput grain elevators in western Canada which further has a Joint Venture in Fraser Grain Terminal in Vancouver. GCC originates grains and oilseeds directly from farmers, dries and cleans the grains in the elevators and subsequently loads the product into railcars destined for their JV terminal in Vancouver. The terminal unloads the railcars and transfers the grain to large ocean going vessels or containers destined to various international markets.

4. Policies and due diligence processes

Our Human Rights Position Statement, Code of Conduct and Supplier Code of Conduct together outline our commitments and expectations of suppliers when conducting business with GrainCorp and align with our values to ensure that we observe the highest standards of fair dealing, honesty and integrity in our business activities.

Human Rights Position Statement

GrainCorp's Human Rights Position Statement outlines our commitment to respecting internationally recognised human rights as set out in the Universal Declaration of Human Rights. We respect the fundamental principles and rights at work as outlined in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and we are committed to complying with statutory requirements in the countries in which we operate, and to acting ethically and with integrity in all business dealings. We are progressively implementing effective systems and controls to understand, manage and minimise instances of modern slavery and human rights risks within our business and supply chain.

The GrainCorp Board, through its Sustainability Committee and Audit and Risk Committee, oversees our human rights initiatives and response to human rights.

Our policies and statements on key human rights aspects include but are not limited to:

- Code of Conduct
- Supplier Code of Conduct
- Palm Oil Position Statement
- Group Whistleblower Policy
- Privacy Policy
- Diversity & Inclusion Policy
- Preventing Harassment and Bullying in the Workplace Policy

Key policies and statements are supported through training, including compulsory modules covering the Code of Conduct, Preventing Harassment and Bullying in the Workplace, Anti-bribery and Corruption and Modern Slavery. We expect everyone who works at GrainCorp, including employees, directors and contractors, to understand, respect and uphold human rights within our business. Our Supplier Code of Conduct outlines the standards and principles we expect of suppliers with respect to human rights. The Human Rights Position Statement also sets out the following reporting mechanisms for grievances available to our people, contractors and commercial partners:

Human Rights Mailbox

GrainCorp has established a mechanism whereby human rights grievances or concerns are able to be raised. Our people, contractors and commercial partners can access this mechanism by contacting GrainCorp at humanrights@graincorp.com.au or by phone +61 2 9325 9108. These contact details are contained in GrainCorp's Human Rights Position Statement which is publicly available on the Corporate Governance section of our website: graincorp.com.au.

The mailbox is monitored daily by GrainCorp's Compliance Unit and investigations are undertaken as required.

Whistleblower

GrainCorp has a dedicated Whistleblower hotline (FairCall) which is available to GrainCorp's employees and those within our extended supply chains. Individuals can confidentially report breaches of any GrainCorp policy they may have observed or experienced, including concerns relating to modern slavery practices. GrainCorp's Whistleblower Policy and contact details are available on the Corporate Governance section of our website: graincorp.com.au.

GrainCorp Code of Conduct

GrainCorp's Code of Conduct is founded on a set of defined values which guide how all GrainCorp employees should behave toward each other, our customers, other relevant stakeholders, the community and our environment. The Code of Conduct naturally requires compliance with all laws, and also goes beyond that, requiring our employees to hold themselves to the highest standard of personal and professional ethical behaviour. The Code of Conduct is approved by the Board of GrainCorp.

Every employee in GrainCorp is required to complete Code of Conduct training at the commencement of their employment. The training is delivered via an online e-module, or in a face-

to-face setting. The training program is administered by GrainCorp's Learning & Development team and is part of a broader group of induction training modules.

GrainCorp's Code of Conduct is available on GrainCorp's website: graincorp.com.au.

Supplier Code of Conduct

The GrainCorp Supplier Code of Conduct outlines the standards and principles that we expect our suppliers (and a supplier's direct suppliers) to adhere to when conducting business with GrainCorp and requires suppliers to comply with legal requirements, industry standards and to have systems in place to manage key ESG risks. The existing Supplier Code of Conduct is embedded in key legal contracts and provides solid foundations for responsible sourcing. When suppliers do business with GrainCorp, and this code is part of our dealings, we expect them to:

- Comply with all relevant and applicable laws and regulations in the countries within which they operate;
- Endeavour to meet international and industry guidelines, standards and best practice; and
- Implement systems, processes and controls to:
 - Protect the environment
 - Respect human rights
 - Prohibit modern slavery labour practices
 - Prohibit child labour
 - Ensure reasonable working hours and wages
 - Provide a safe working environment
 - Act lawfully and with integrity
 - Adequately manage grievances.

The Supplier Code of Conduct includes the right to investigate and audit a supplier's conduct and compliance in certain circumstances. In the event that we identify, or are made aware of, an incidence of modern slavery practices or human rights violations, we will engage the supplier's senior management to develop a remediation plan. If the non-compliance is sufficiently serious or the supplier does not cooperate in remediation, we will take into consideration the outcomes for affected workers and may suspend dealings with the supplier.

In FY22, we evaluated our Supplier Code against industry best practice and identified improvement opportunities that were incorporated into a new draft Supplier Code. This review of best practice identified the need to grow internal capability regarding responsible sourcing and this has been the focus of our efforts in FY23. Steps we have taken include:

- Testing of the draft Supplier Code against our customers' supplier codes to support consistency of expectations across the value chain.
- Verification of the standards set out in the draft Supplier Code against GrainCorp's own processes and standards. We value long-term partnerships with our Suppliers and going through this verification process ourselves supports our ability to work with Suppliers to build capacity and find practical solutions to address potential non-compliances.

Our focus in FY24 will be on refining the updated Supplier Code, developing an implementation plan, and progressing supplier engagement activities.

Grievance Management

All GrainCorp employees are protected by our internal grievance processes, as set out in our Grievance Management and Resolution Guidelines. GrainCorp's independent FairCall hotline is also available to GrainCorp employees, should they wish to make a confidential complaint.

In FY23, as part of GrainCorp's broader independent assurance program, a review of GrainCorp's internal grievance processes and controls was undertaken. In response to the review, GrainCorp has developed actions to further improve our control environment, including enhancement of the proactive steps we take to prevent, identify, and address bullying, harassment, and discrimination.

As we strengthen our approach to managing responsible sourcing and human rights, we recognise we must be committed to providing effective grievance mechanisms, to remedy any identified adverse human rights impacts. Our Supplier Code requires that all our suppliers have their own effective grievance mechanisms in place, and we encourage the use of these channels in the first instance to resolve grievances.

If these channels are unavailable or ineffective, we are committed to providing a safe, confidential, accessible, and effective mechanism for any supplier or worker in our supply chain to raise grievances.

Grievances may be received through various channels, including anonymously through our independently administered FairCall hotline service (online or through the telephone hotline), our human rights email inbox, sustainability email inbox, via audit findings, via suppliers own public grievance trackers, or from third-party stakeholders such as unions and NGOs.

In FY23, we developed an internal tool to document grievances reported across all channels and an initial governance framework for the management of grievances, based on the international best practice UNGP 31. We are 'learning by doing' and adjusting our framework to reflect our in-practice experience.

Due Diligence and Risk Management

For the onboarding of new suppliers, GrainCorp has a risk-based due diligence approach to modern slavery risk that is aligned with our Anti-Bribery & Corruption (ABC) procedures. Certain 'Defined Risk Criteria', including but not limited to source location and category of spend (for example, freight services, packaging and ingredients), form the basis for determining the requirement for due diligence, under three categories – Simple Due Diligence, Regular Due Diligence and Heightened Due Diligence. Risk Identification and Mitigation During the reporting period, GrainCorp continued to implement policies and update due diligence procedures to assist in addressing the modern slavery risks associated with our operations and supply chains.

As noted above, the FY23 modern slavery risk assessment has confirmed our previously identified areas of potential risk remain the same, and GrainCorp's overall modern slavery profile remains low. GrainCorp continues to focus attention on our highest risk exposures in the following industry/risk sectors: Palm Oil, Ocean Freight, Variable Labour, and Clothing and Footwear.

Palm Oil

The palm oil industry, largely located in Indonesia and Malaysia, carries a heightened risk of environmental damage through deforestation and a heightened risk of Modern Slavery where migrant workers are vulnerable to exploitation on palm plantations and in palm processing. The palm

oil GrainCorp uses in its food processing operations is already managed under GrainCorp's Responsible Sourcing Program. GrainCorp has been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2013 and all three of our food processing sites hold RSPO certification. GrainCorp only sources palm oil from RSPO certified suppliers. In addition, our palm oil suppliers are subject to heightened due diligence and regular monitoring, including through SEDEX Member Ethical Trade Audits (SMETA).

Palm Oil By-products

In FY23, and as part of the progressive expansion of our Responsible Sourcing Program, we extended our ESG Risk Assessment process to include derivatives, by-products and waste products of the palm supply chain that are used in other areas of GrainCorp's business. Palm acid oil (PAO) is a waste product that results from the alkaline refining of palm oil. Along with other vegetable acid oils, this waste product can be repurposed as a calorie rich component of animal feed formulations and is an ingredient for GrainCorp's Animal Nutrition business. While the palm oil GrainCorp uses is RSPO certified (and thus managed to an industry-wide standard), achieving transparency over the supply chain for a waste product such as PAO poses challenges. For example, to efficiently collect commercial volumes of PAO, a supplier must collect the waste from multiple refineries of differing size and capability. At GrainCorp, we believe that building long-term, collaborative partnerships with our suppliers is the most effective way of achieving positive outcomes in sustainability for the supply chain as a whole.

GrainCorp first engaged with its primary supplier of PAO, over a decade ago and since this time has built a strong relationship. Through transparent communication regarding GrainCorp's Responsible Sourcing Program and the challenges faced by the supplier, we have worked with the supplier to implement a bi-annual traceability report. The report outlines the proportion of PAO sourced from companies with strong environmental and labour controls in place, the proportion of PAO traceable to plantation and the proportion of PAO traceable to mill. Palm kernel expeller (PKE) is a by-product of the palm oil extraction process and, similar to PAO, is an ingredient for GrainCorp's Animal Nutrition business. In FY24, we will expand our review of palm oil and palm-oil by-product suppliers to better understand and mitigate the risk of modern slavery in the PKE supply chain.

Ocean Freight

International shipping providers are susceptible to labour rights violations due to a number of factors. These factors include ocean freight workers potentially sourced from vulnerable populations (e.g. from countries with poor track records on human rights), the involvement of multiple parties, increasing the risk of inconsistent labour standards and lack of oversight to ensure compliance with human rights obligations, and cost pressures or delivery timeframes potentially influencing suppliers to compromise on their labour conditions.

- **International**

As a critical component in our integrated supply chain, GrainCorp uses third-party industry due diligence sources to vet counterparties, ship owners, ship managers and the shipping vessels themselves to mitigate operational, financial and ethical conduct risks. These checks enable GrainCorp to identify red flags indicating potential non-conformance with labour standards prior to engaging ships for the transport of our produce and products. In addition, GrainCorp seeks to engage with vessels crewed by labour protected by industry accepted bargaining agreements.

- **GrainCorp Nutrition and Energy**

GrainCorp enters contracts of affreightment for the carriage of animal fats and vegetable oils. At the time of contracting, GrainCorp undertakes due diligence as to the suitability of the vessel operator. All vessels chartered by the GNE business operate in and out of Australia and New Zealand ports and are subject to Australian Maritime Safety Authority and Maritime New Zealand compliance monitoring procedures including adhering to the Maritime Labour Convention which sets out seafarers' rights at work, including employment terms, health and safety, living and working conditions, access to medical care and social security. No material non-compliance events with ocean freight suppliers were identified during the reporting period.

Variable Labour

During peak harvest periods, GrainCorp engage variable labour to supplement the needs of the permanent workforce where we do not have an ongoing or fixed need for the labour. Most of our variable labour workforce is hired directly. However, where required, we also procure variable labour through preferred supplier third-party employment agencies and other agencies as required. GrainCorp have confirmed that our preferred third-party agencies have implemented modern slavery policies and risk management frameworks to identify and address modern slavery risk in their workforce. In FY24, GrainCorp will continue to review variable labour supplier spend to better understand and mitigate the risk of modern slavery outside our preferred supplier agencies.

Clothing and Footwear

GrainCorp purchases industrial workwear and corporate uniforms through a preferred supplier. Our preferred supplier has an established Ethical Sourcing Policy and requires their suppliers (GrainCorp's Tier-2 suppliers) to sign and agree to their Ethical Sourcing Policy. Where these Tier-2 suppliers have factories based in higher-risk jurisdictions, our preferred supplier requests ethical-trade audits to assess the risk of modern slavery in their supply chain.

In FY24, GrainCorp will continue to review procurement of clothing and footwear to better understand and mitigate the risk of modern slavery outside our preferred suppliers.

5. Forced labour and child labour risks

These areas of potential risk, and the nature of GrainCorp's potential involvement are summarised in the table below:

Category	Example	Relevance to GrainCorp	Potential involvement of GrainCorp along the UNGP Continuum ³
Vulnerable Populations	Unskilled or temporary labour	During peak harvest periods, GrainCorp engage variable labour to supplement the needs of the permanent workforce where we do not have an ongoing or fixed need for the labour. Most of our variable labour workforce is hired directly. However, where required, we also procure variable labour through preferred supplier third-party employment agencies and other agencies as required.	Cause/Directly Linked
Product and Service Categories	Cost pressures or delivery timeframes may have an unintended consequence of influencing suppliers to compromise on their labour conditions	GrainCorp uses international logistics including ocean freight for the import and export of grains, oilseeds and other commodities.	Contribute/Directly Linked
Geographies	Operating or maintaining relationships with suppliers in countries and industry sectors with reported evidence of human rights violations	The palm oil and textiles industry are two sectors relevant to GrainCorp with higher risk of human rights violations. Grains and oilseeds originating in the Ukraine are of relevance to GrainCorp.	Directly Linked

Modern slavery as part of GrainCorp's broader sustainability materiality process In FY21, GrainCorp commenced a rolling three-year program, consistent with the AA1000 Standard and GRI 2016, to identify, prioritise and validate our material sustainability topics and deepen our engagement on sustainability topics with internal and external stakeholders. In recognition of the constantly evolving landscape of sustainability, we enhanced our program in FY23 to reassess actual and potential impacts and prioritise issues.

Modern slavery was included in this materiality assessment as one of a longer list of more than 150 potential sustainability impacts and was assessed along with other human rights issues as part of a broader topic called "Social impacts of GrainCorp's supply chain". More detailed information on this process and the results are provided in GrainCorp's 2023 Sustainability Report, which is available on our website: [graincorp.com.au](https://www.graincorp.com.au).

6. Remediation Measures

GrainCorp is committed to developing its remediation approach in alignment with the UNGPs, which call for companies to consider whether they have "caused, contributed to or are directly linked" to the breach to determine their level of cooperation in remediation. We will determine the appropriate action to take depending on the circumstances in each case. As our remediation response is operationalised, we are committed to continuous improvement and working with suppliers to ensure appropriate mechanisms are made available within their own supply chains.

7. Training

Mandatory Modern Slavery training is allocated to permanent employees with responsibilities for managing our people and/or procurement responsibilities. GrainCorp's Modern slavery e-Learning module has been allocated to over 680 permanent employees across all our operating locations with a 97% completion rate.

8. Assessing Effectiveness

GrainCorp has developed key performance indicators (KPIs) to measure how effective our actions have been to identify and address modern slavery practices in our operations and supply chains including:

- Modern slavery training completion rates
- Percentage of GrainCorp's key operational sites covered by a SMETA completed within last three years
- Percentage of High-Risk suppliers signed up for our Supplier Code of Conduct (or have an equivalent Code of Conduct of their own) and covered by a SMETA completed within the last three years. In FY23, palm oil and palm oil by-product suppliers have been identified as our High-Risk suppliers due to exposure to multiple risk factors as outlined in the Due Diligence and Risk Management section.
- Number of critical non-conformances identified in High-Risk supplier SMETAs
- Number of modern slavery complaints reported through our grievance reporting mechanisms

9. Approval and attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Full name Robert Spurway

Director

Date 29 May 2024

A handwritten signature in blue ink, appearing to read "Robert Spurway", written in a cursive style.

I have the authority to bind GrainCorp Operations Limited.