

Sustainability Report 2015





About this report

This report covers the sustainability performance of GrainCorp and the entities it controls. GrainCorp's first Sustainability Report was published in 2014. This report includes activities and facilities across those global locations for which we had operational control for all or part of the financial year 1 October 2014 to 30 September 2015.

This report has been prepared in accordance with the guidelines of the internationally recognised Global Reporting Initiative G4 framework for a 'core' Sustainability Report.

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GRAINCORP OVERVIEW

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

GrainCorp Overview

GrainCorp focuses its activities on three core grains (wheat, barley and canola) where we have a comparative advantage through grain origination, freight differentials and technical expertise.

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

GrainCorp has four reporting segments:

- GrainCorp Storage & Logistics
- GrainCorp Marketing
- GrainCorp Malt
- GrainCorp Oils

GrainCorp also owns 60 percent of Allied Mills.

Our Mission and Vision

Our mission is to be an international leader in food ingredients and agribusiness, creating value by connecting consumers and producers.

Our vision is to grow as our customers' preferred partner – driven by our passionate people and strategic assets around the world.

Our Integrated Supply Chain

Accumulation – Largest regional accumulation network.

Storage – Over 20mmt of country storage and handling capacity.

Marketing – Marketing to local and global markets.

Road & Rail – Full freight connectivity for rapid turnaround.

Ports – 7 bulk grain ports with 15mmt elevation capacity 14 bulk liquid terminals.

Processing – A key end producer of malt, oils and flour.

Our Values

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

Safety – We act consciously every day to keep ourselves and our teams safe.

Our People – We work together as part of a high performing team and deliver what we promise.

Customers – We build strong relationships and deliver value to customers.

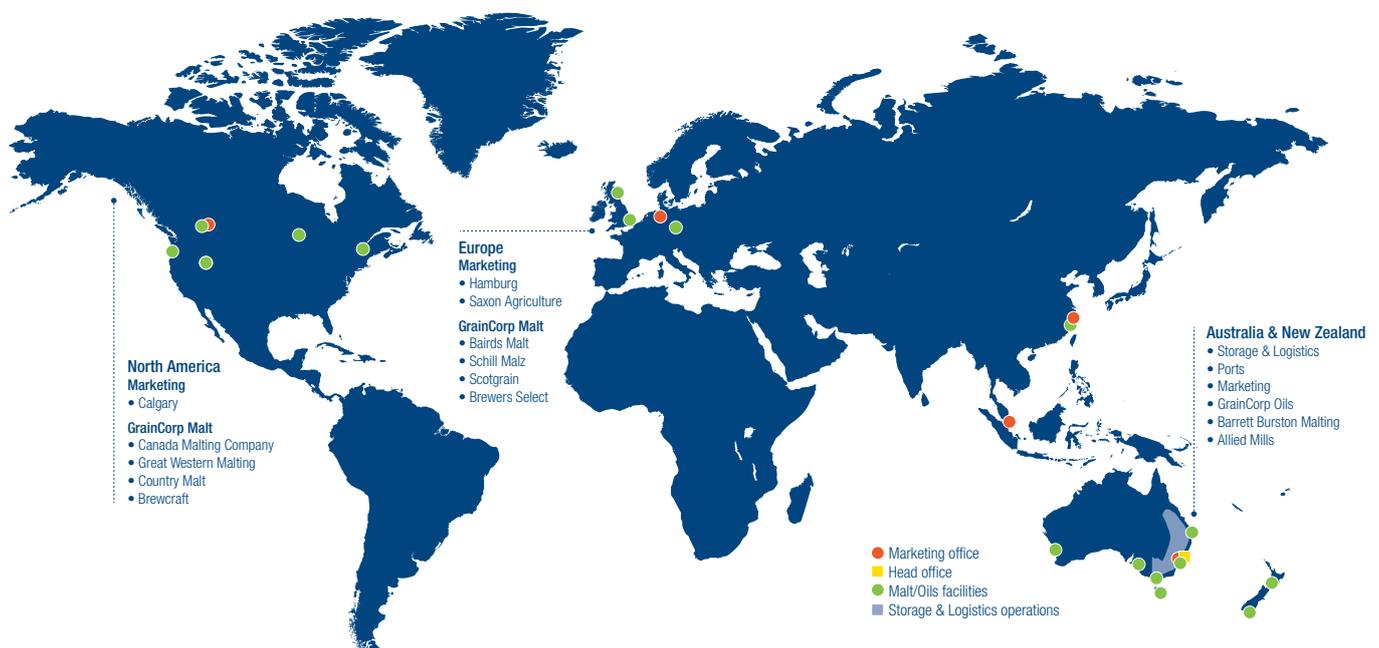
Excellence – We consistently look for better ways to do things.

Sustainability – We understand the bigger picture and add value to the bottom line.

Our community – We support the communities in which we operate.

Integrity – We act with high integrity, energy and passion.

Our international operations



CHIEF EXECUTIVE OFFICER'S STATEMENT



As a business tied so closely to the land and production cycles, sustainability has always been central to our business approach. It has always been important to take a long term view of business which is why we have moved to reduce variability in earnings by diversifying our business streams.

Last year we significantly enhanced our approach to sustainability reporting, introducing the issues of Safety, People, Environment, Community and Governance to our reporting framework. These changes align us with the internationally recognised Global Reporting Initiative G4 Framework. We are pleased to report we have achieved a continuous incremental improvement in the measures outlined relating to each of these areas and we recognise we must remain focused on the challenges ahead.

Strategic priorities delivering additional sustainability outcomes

In addition to the specific initiatives in these sustainability focus areas, GrainCorp is also pursuing a range of initiatives that we expect will deliver additional sustainability benefits.

We have introduced a framework aimed at guiding our strategic priorities of developing customer-centric supply chains, addressing complexity and delivering growth initiatives. These three lenses will guide our capital investment over time. It is of utmost importance when thinking about sustainability, that we also consider it from the perspective of our customers. What are we doing in our business, where are we committing capital and how will this improve our service to customers are the overarching questions.

Our long term objectives in sustainability go hand in hand with value creation for our shareholders.

GrainCorp Oils

During the year GrainCorp made substantial progress in our initiative to consolidate our oil crushing and refining network to a strategic hub in Victoria. This project involves relocating our refining capabilities from Murarrie in Queensland to our facilities at Numurkah and West Footscray in Victoria and will result in a number of improved sustainability outcomes, including:

- converting a proportion of energy source from coal to gas to reduce emissions and
- the removal of a freight route for the transportation of oil products which will reduce our use of large transport vehicles.

The relocation project is estimated to provide a reduction in carbon intensity of over 30% or 260,000 tonnes of carbon dioxide over a 10 year period. The focus on rail utilisation will not only reduce our consumption of fossil fuels but will also reduce supply chain costs by decreasing our reliance on road transport.

GrainCorp Malt

GrainCorp Malt's operational excellence program has continued to identify infrastructure, processes and utility projects which can improve efficiencies and reduce costs across the global network of malt production plants. Initiatives undertaken in the UK, USA, Canada and Australia have utilised technology to significantly reduce electricity and gas consumption, delivering positive outcomes both operationally and environmentally.

GrainCorp Storage & Logistics

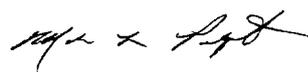
We have made solid progress in our project to reinvest in the long term sustainability our Storage & Logistics business. Under "Project Regeneration" we have rationalised our grain receival sites in eastern Australia; reconfigured our operating model and prioritised the first tranche of projects for capital investment. The objective of the project is to reduce complexity and cost within the network and improve our operational efficiency.

The transport of freight, including grain and other commodities has a heavy reliance on fossil fuels. GrainCorp is focused on minimising emissions through maximising transport efficiency. The investment in our sites includes an upgrade to the associated rail facilities with the objective to drive a modal shift of 1 million tonnes of grain back to rail, a shift that will save 50,000 individual truck journeys.

Sustainability looking forward

In addition to the a range of initiatives GrainCorp is undertaking to specifically address issues in the areas of Safety, People, Environment and Community we will also keep, at the forefront of our minds, the impact our business has on our customers' sustainability objectives.

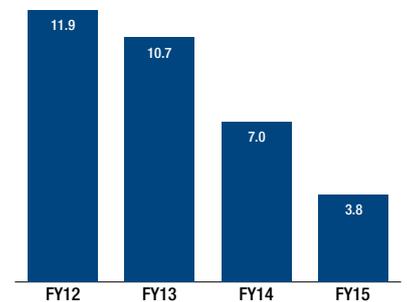
Our long term objectives in sustainability go hand in hand with value creation for our shareholders, long term economic vitality for our customers and the positive outcomes this will have on our people, our communities and overall, our long term sustainability as an organisation.



Mark Palmquist

Chief Executive Officer

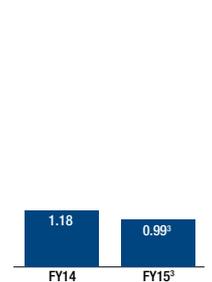
Lost Time Injury Frequency Rate (LTIFR)¹



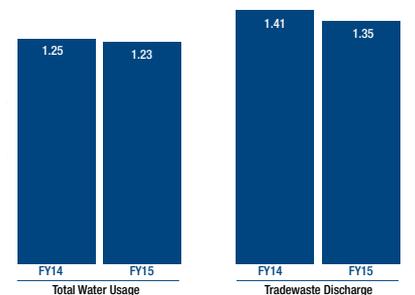
Total Energy Use (GJ)



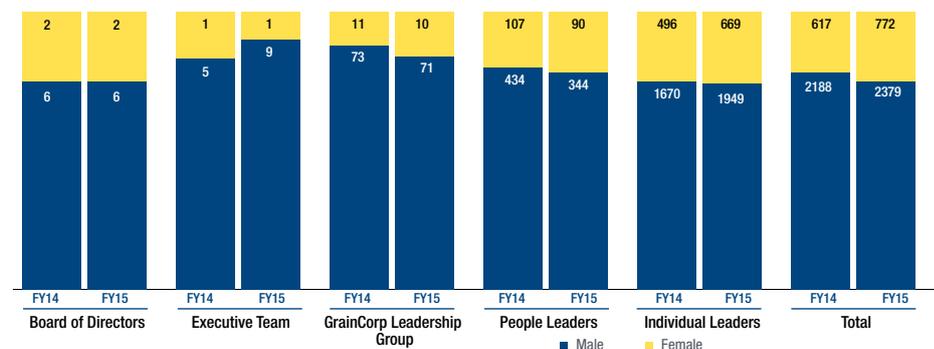
Energy Use per Tonne (GJ)²



Water and Trade Waste Per Tonne (KL)⁴



Composition Leadership Groups



1. Lost Time Injury Frequency Rate ("LTIFR") calculated as the number of Lost Time Injuries per million hours worked. Includes permanent and casual employees and GrainCorp controlled contractors.
 2. Calculated as the average energy use (GJ) per production/throughput tonne.
 3. Includes data for Liquid Terminals and BLM in New Zealand. Due to changed reporting processes additional tonnage is now captured.
 4. Calculated as the average water use/trade waste (KL) per production/throughput tonne. Water sourced from municipal water supplies or other activities. Includes discharges after treatment into municipal sewers.

SAFETY



Ensuring the highest standards of safety within our workplaces is critical to GrainCorp's success as a business.

Safety is our core value and we are committed to achieving best practice safety standards. Initiatives undertaken this year were focused upon three key safety drivers:

- **Engagement** – employees working together for a common goal.
- **Empowerment** – people owning their safety and the safety of their workmates.
- **Embedding** – building a robust learning culture where innovative ideas are shared across all teams, business units and geographies.

With these drivers in mind and in addition to the actions highlighted below in our FY15 performance, the following achievements were made over the year:

- GrainCorp Malt is close to completion of the implementation and registration of the OHSAS18001 Safety Management System across its manufacturing locations. This is an international safety management system that focuses efforts on areas of risk via a Plan-Do-Check-Act continuous improvement management cycle. The business has also streamlined

its incident tracking system having successfully folded the six independent systems into a single incident reporting and corrective action management system.

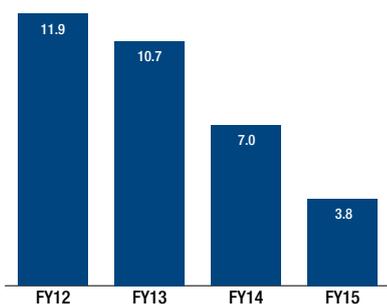
- GrainCorp hosted the 2015 Grain Industry Safety Conference in eastern Australia. The conference provided a forum in which industry participants could share safety experiences and ideas. Engaging with the broader industry in this regard is crucial to achieving the highest possible safety standards.



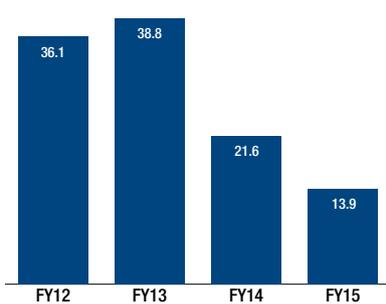
Liam Cassidy and Heamani Lavaka demonstrate the safe and correct way to use a tarp roller at the 2015 Grain Industry Safety Conference

- Sentsis safety training was rolled out across the business, offering a variety of tools for employees to utilise in creating a safer workplace for themselves. These include:
 - Focusing on the Personal Big 5 (PB5) – the five reasons to work safely each and every day; it's a key way of keeping safety top of mind for everyone.
 - Identifying "Gorillas in the Workplace" – encourages staff to be proactive in identifying potential hazards and near misses.
- The "What's my 50%?" initiative was promoted. This initiative proposes that GrainCorp contributes 50% to an employee's safety by providing safe working environments, safety training for all workers and systems for reporting hazards, however the remaining 50% is up to the individual.

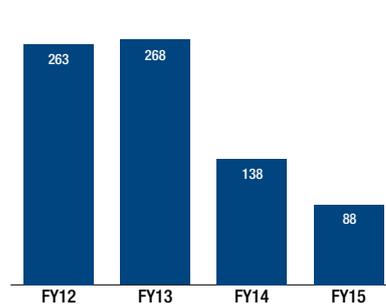
Lost Time Injury Frequency Rate (LTIFR)¹



All Injury Frequency Rate (AIFR)²



Workforce Injuries³



FY15 Performance

- 46% reduction in LTIFR.
- 36% reduction in AIFR.
- Implemented monthly near miss reporting as a lead measure to drive accountability in each business unit.
- Monthly significant risk and line leadership reviews have been used to identify and control significant safety and environmental risks across all business units. Progress is tracked and communicated to business units and executive leadership teams.
- Successful roll out of a staff training programme in relation to the Safety, Health and Environment (SHE) Management system.
- The GrainCorp SHE leadership model was introduced and leaders were given an action to identify development areas for themselves and their team.
- The Health & Wellbeing Plan 2015 and beyond was introduced offering a three-pillared framework aimed at ensuring an employee's health and wellbeing. The pillars relate to maintaining fitness for work, early management of fitness for work issues and prompt management of injuries.
- The manual handling risk reduction program was devised and launched across the Storage & Logistics business.

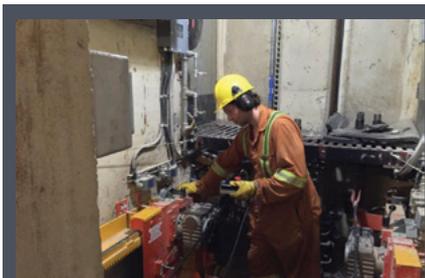
The combination of a continued improvement in staff training, increased emphasis on personal accountability and the implementation of lead measures have supported the reductions in LTIFR and AIFR.

1. Lost Time Injury Frequency Rate ("LTIFR") calculated as the number of Lost Time Injuries per million hours worked. Includes permanent and casual employees and GrainCorp controlled contractors.
 2. All Injury Frequency Rate ("AIFR") calculated as the number of injuries per million hours worked. Includes permanent and casual employees and GrainCorp controlled contractors. Includes lost time injuries, medical and restricted work injuries.
 3. Absolute number of the workforce that sustained medical treatment and lost time injuries.

FY16 Objectives

The objectives for FY16 seek to further leverage off the traction gained across the global business in embedding safety practices into every facet of business process.

- Achieve a 20% reduction in AIFR and LTIFR.
- Implement lead measures that drive accountability in each business unit as follows:
 - Set targets for proactive hazard/near miss reporting.
 - Drive accountability for SHE by undertaking SHE Leadership Reviews.
 - Positive assurance of significant risk control measures – focussed on risks associated with confined spaces, electricity, fire & explosion and mobile plant.
 - 100% completion rate of e-learning modules across all business units for permanent employees.
- Focus audits on significant risks to provide assurance and continuous improvement.
- Make continued progress towards ISO14001 & OHSAS 18001 certification.
- Commission Sentis to undertake a company-wide employee engagement survey that will assist in achieving our safety vision.
- Launch a specific focus on employee health as part of GrainCorp's "Stop 4 Safety Day" in October 2015.



Highlight: Installation of autodumping kilns at Thunder Bay, Ontario

While recent retrofits at the malt processing plant served to maximise batch size, they also increased the physical strain on the staff required to turn the trays manually. Employees successfully developed an innovative mechanism to eliminate the task completely, with a machine now performing the kiln floor turning action. The site has now achieved a safety milestone with it being over two years since a lost time incident occurred.



Highlight: Safe entry to a confined space

The design of the oil tanks at GrainCorp Oil's Millicent site were such that entering them for cleaning was a safety hazard as staff had to enter the confined space head first and then pull themselves up into the tank risking injury. The process of brainstorming a solution resulted in eliminating the need to enter the tanks altogether. A prototype has now been developed that both removes the need to enter the tanks for cleaning and allows for a safer rescue plan.

PEOPLE





GrainCorp acknowledges the success of our business relies on our people.

We recognise that in order to create the optimal working environment we need to evolve continually to develop our employees and keep them engaged, to attract and retain talent and to maintain a rich and diverse workforce.

Leadership, Employee Engagement & Career Development

We believe that a focus on leaders and the identification and development of the talent pipeline is key to a successful and sustainable business. Together with a strong program of reward and recognition, a focus on career development and training, we foster a culture of high engagement. With these factors in mind, the following key achievements were made over the year:

- The 2015 Emerging Leaders Program continued. The Group currently consists of 55 participants, from a cross-section of business units and geographies, who convene through a number of forums from workshops focused on a particular facet of leadership to networking events and “breakfast and learning” sessions. The program promotes professional development by allowing for the exchange of information across the business and introducing participants to innovative ideas in leadership.
- Within each business unit a number of People Leadership Programs are run throughout the year aimed at building high performing and highly engaged teams:
 - GrainCorp Oils launched its first people leadership program
 - The GrainCorp Marketing and Finance teams launched capability frameworks to assist with career and development planning
 - GrainCorp Malt ran a coaching and leadership development program for its leadership team

- Recognising that the talent pipeline is relevant at all levels of skill and experience, GrainCorp Oils launched a New Engineers Program whereby six graduate engineers were chosen to embark on a 12 month structured mentoring program.
- A key driver of employee engagement is reward and recognition. Central to achievement across the company is a demonstration of alignment with GrainCorp’s core values. The 2015 winners were recognised and rewarded at the respective annual awards evenings.
- As a global organisation we support the movement of employees across business units and geographies. We recognise the mutual benefits to the employee, in terms of career development, and the business, in terms of information, experience and communication flow.

Talent Attraction

We believe the ability to attract strong talent offers a significant competitive advantage in creating a capable workforce. A new initiative was launched with LinkedIn aiming to shift the recruitment process such that talented individuals actively seek to work at GrainCorp by increasing brand awareness among the targeted talent pool.

FY15 Performance

- Leadership development workshops launched in direct response to employee engagement survey outcomes.
- Learning@GrainCorp development platform extended to include accessibility for all employees to videos and presentations from the GrainCorp leadership conference 2015.
- Survey conducted across more than 300 members of the GrainCorp leadership group and their direct reports for their thoughts on how we can continue to make GrainCorp a world class organisation.
- Initiated the use of a talent pool as a “first stop” when seeking to fill a role.

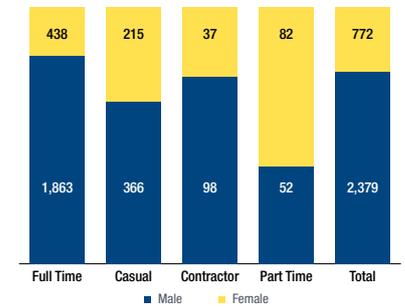
FY16 Objectives

- Development of the 2016-2020 People Plan that supports the broader business strategy.
- Review all of the human resources systems to streamline activities including attraction, retention and development.
- Implement a smaller number of high impact engagement activities to address outcomes identified in the engagement survey.
- Review talent on a “whole of business” basis.
- Refresh the talent and succession review processes and implement employee professional development plans.
- Extend the Learning@GrainCorp development platform.
- Continue to provide on the job development opportunities.
- Extend leadership development opportunities across the organisation.
- Further strengthen the talent pool and broaden its use across the business.

Employees by Country



Employment Type



Highlight:

Supporting Employee Growth

Some examples of the many internal promotions and transfers that were made during the year are set out below. These examples demonstrate GrainCorp’s commitment to the career progression of its employees.

- GrainCorp Malt employee Teri Fahrendorf will soon be at the helm of a new innovation centre for GrainCorp Malt in Vancouver, USA. Teri has accumulated 19 years of experience in brewing, and is a founding member of the Pink Boots society which promotes the inclusion of women in the brewing industry. The creation of the centre recognises the need for innovation and will allow us to gain an insight into how GrainCorp’s malt performs in brewing and distilling. Teri’s appointment is a great example of the way in which GrainCorp nurtures talent and supports diversity.

- GrainCorp marketing employee Pip Garner from the Sydney office assumed a commercial role within GrainCorp Malt in Germany following 7 years in a range of marketing roles including desk assistant, logistics and more recently relationship management. Supporting employees in transferring across business units benefits the career of the individual and facilitates improved communication within the business.
- GrainCorp employee Alex Onus moved from Sydney to Germany to continue his role of Global Head of Wheat Trading where he will look to increase GrainCorp’s engagement of suppliers and customers in the European/ African and Middle East region.

Movement of employees across geographies ensures the best skills can be deployed to different geographies as required to support business growth while broadening the business acumen of the individual.



GrainCorp Malt employee Teri Fahrendorf.

Diversity, Inclusion And Equal Opportunity

We recognise that to build high performing teams, we need to welcome employees from multiple backgrounds, mindsets and ways of thinking. We each bring unique experiences and perspectives that help to create a strong working culture. Diversity is an integral part of business strategy led by our Diversity & Inclusion Committee that provides a forum for setting direction, monitoring progress and demonstrating senior leadership commitment.

Our diversity, inclusion and equal opportunity strategy aims to:

- Build a diverse and inclusive organisation.
- Establish a diverse representative leadership group and talent pipeline.
- Enhance workplace flexibility opportunities.

An example of our commitment to this agenda is the development of an initiative to reduce unconscious bias when filling selected roles. The initiative will be piloted next year.

FY15 Performance

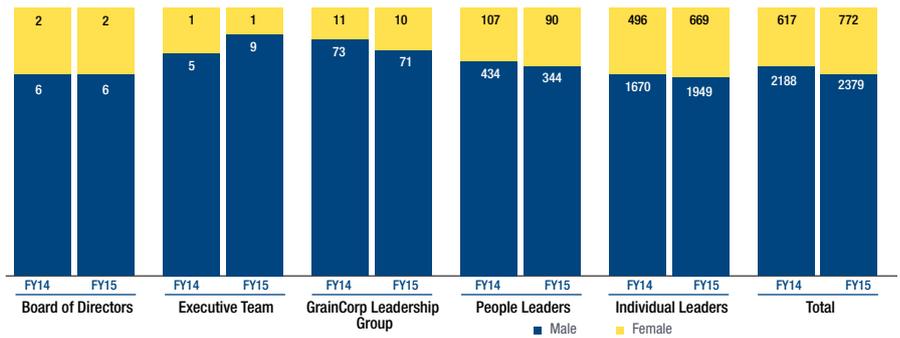
- Women occupied 26% of people leadership roles (from 20% in FY14).
- Female representation at Board level remained at 25%.
- Female representation at executive level remained at 1.

FY16 Objectives

- Analyse and address barriers to equitable career progression for diverse talent.
- Strengthen visible leadership accountability for diversity progress and outcomes.
- Improve diversity monitoring, reporting and action planning mechanisms.

- Optimise the composition and remit of our Diversity & Inclusion Committee.
- Develop inclusive leadership capability of current and future leaders.
- Pilot increased utilisation of flexible work practices within teams.
- Pilot 'blind' recruitment searches which remove information related to name, gender and education provider.

Composition Leadership Groups



Highlight: Winner of the annual GrainCorp Oils award

The development of an oil blend suitable for infant formula is a key strategic direction for the GrainCorp Foods business. During the year, the first deliveries of the product were made to a new infant formula plant in New Zealand. Jing Zhou, a Senior Product Technologist for GrainCorp Oils has been the central figure in implementing this new business and managing the relationship with the formula company. Jing was awarded the GrainCorp Oil's Annual Customer Award for maintaining an unwavering focus on the customer and demonstrating an excellence in customer service while consistently looking for a better way to do things.



Jing Zhou, Senior Product Technologist for GrainCorp Oils with Mark Bosomworth, General Manager GrainCorp Foods.

ENVIRONMENT





When using natural resources we apply the framework – avoid, reduce, reuse, recycle.

We recognise it is our responsibility to our employees, our investors, our business partners and the communities in which we operate to be conscientious in our environmental management practices. We seek to continually assess and manage immediate risks and take a long term view with respect to our operations. Our four areas of focus are set out below:

Energy: Our approach aims to continuously improve energy efficiency and reduce the carbon intensity of our operations.

Emissions: Our approach is to target our most energy intensive operations and seek energy efficiencies to reduce our emissions.

Water: Our approach is to limit the amount of water used in our processes while improving the quality of any water that we discharge. We aim to recycle and reuse water wherever possible.

Effluent and Waste: Minimising waste is fundamental to our sustainable operations. When using natural resources we apply the framework – avoid, reduce, reuse, recycle.

In addition to initiatives outlined in the FY15 performance section, the following progress was made over the year:

- Each GrainCorp business unit now reports on environmental management as part of its monthly significant risk reviews. Compliance with certain environmental parameters including stormwater and waste drainage, noise and odour must now be demonstrated. This ensures such matters are regularly considered and allows for the early identification and management of environmental risks.
- In line with our long term approach to environmental management, a solar energy feasibility study was initiated at a number of sites in Eastern Australia. The scope of work will focus efforts on sites that have the greatest potential for cost reduction. It is anticipated the financial metrics will be analysed and presented to the business by the end of FY16. Ultimately, the objective will be to reduce energy costs and minimise the operational risk of energy price increases and supply constraints.
- Reducing what we send to landfill is a key focus for GrainCorp. Plastic tarpaulins are used in the Storage & Logistics division to protect wheat during storage and once used these are typically sent to landfill. They make up a significant component of GrainCorp's total waste. A project has commenced which identifies recycling providers who can process the waste tarpaulins back into plastic pellets which are then used to manufacture a variety of recycled products including new tarpaulins.
- Consistent with the strategy to build our Oils business, we have made significant progress towards optimising our oil crushing and refining network which will see the relocation of capacity from the oil refining facility at Murrarie to our facilities at Numurkah and West Footscray in Victoria. The associated sustainability benefits include a reduction in emissions achieved by a reduction in the use of coal energy and the removal of a freight route. It is estimated that over 260,000 tonnes in carbon dioxide emissions will be saved over a 10 year period.

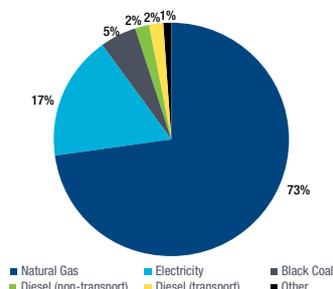
Total Energy Use (GJ)¹



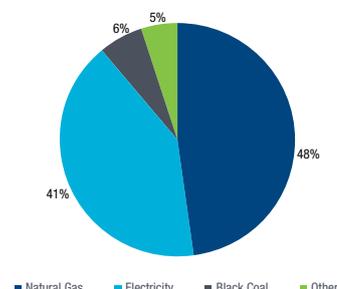
Energy Use per Tonne (GJ)^{1,2}



Energy Use by Source¹



Greenhouse Gas Emissions by Source¹



1. Excludes Malt plants in Fletcher, South Holland and Champlain.

2. Calculated as the average energy use (GJ) per production/throughput tonne.

3. Includes data for Liquid Terminals and BLM in New Zealand. Due to changed reporting processes additional tonnage is now captured.

FY15 Performance

• Significant reductions in energy consumption, emissions, water use and waste have been achieved via the continuation of GrainCorp Malt's Operational Excellence Program and the groupwide "World Environment Day Awards". These awards resulted in the implementation of 53 initiatives across the business and provided the impetus for GrainCorp sites across the globe to review their greenhouse gas reduction strategies,

water use and waste management processes. Examples of the resulting initiatives are outlined in the table below.

- Over the year GrainCorp Malt's formal water management frameworks in Australia were reviewed and a project commenced with GrainCorp Malt to establish a baseline for water usage. The information will be used to develop a water management programme that will optimise water management practices across operations.

- During the year we have focused on implementing systems to better capture waste and recycling data across the business. The implementation of waste minimisation plans at each site has been progressed and reporting on this is now part of each business units monthly significant risk review.

ENERGY USE AND EMISSIONS

Storage & Logistics Capital Improvement Team partnered with Cleaner Climate to purchase carbon offset credits in the Zafarana Wind Farm project. Net flight emissions related to the flight travel of staff are now zero.

GrainCorp Oil's West Footscray refinery has reduced its gas use by 4%, its electricity use by 8% and its greenhouse gas emissions by 9% after upgrading the site's steam boiler.

The operating time of the steam boiler at GrainCorp Oils North Laverton site in Australia was reduced by 2 days by reengineering the boiler system.

At GrainCorp Malt's Montreal site the installation of variable frequency devices has resulted in an estimated net reduction of 25 kilowatt hours/tonne for malt produced at the plant.

WATER

By installing a transfer hose to drain water from the boiler at GrainCorp Liquid Terminals' Largs Bay site in South Australia, water which would have gone to the ground is now being reused to water lawn areas.

The installation of a robotic cleaner at GrainCorp Malt's Pinkenba site has delivered a significant reduction in water usage.

At GrainCorp Malt's Arbroath site in the United Kingdom, the addition of a second storage tank for bore water has allowed for less reliance on the town water supply during peak processing times.

New boreholes were installed at GrainCorp Malt's Pencaitland and Witham sites in the United Kingdom significantly reducing demand on each town's water supply.

EFFLUENT AND WASTE

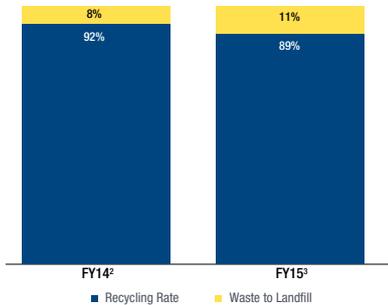
Employees worked together with waste management contractors to increase the recycling rate at Geelong Port terminal from 2 percent to 91 percent.

An 18% reduction in truck-loads of waste were achieved over a 3 month period at Calgary Maltings by installing level sensor radars to ensure the optimal filling of waste bins.

By reviewing the pre-cleaning routine at the Gladstone Port terminal, the volume of solids being captured was successfully reduced.

By reconfiguring the set-up of the pig-trap (used for cleaning & maintenance of oil pipes) at GrainCorp Oil's Coode Island site, the amount of waste spill was significantly reduced.

Recycling¹



FY16 Objectives

In FY16 we aim to further evolve our long term approach towards the sustainable management of resources while remaining vigilant about assessing and managing near term environmental risks.

- Continue exploring initiatives to reduce emissions, water consumption and energy per tonne production/throughput.

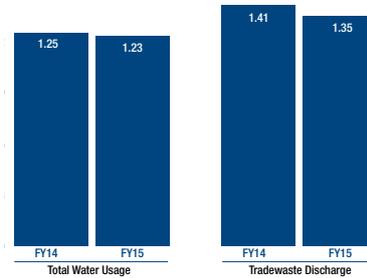
1. Excludes Malt plants in Fletcher, South Holland and Champlain.

2. FY14 data has been restated to reflect improved data accuracy.

3. FY15 data includes the Australian Liquid Terminals businesses which was not available in FY14. Adjusted FY15 values give a 93% recycling rate and 7% rate of waste to landfill.

4. Calculated as the average water use/trade waste (KL) per production/throughput tonne. Water sourced from municipal water supplies or other activities. Includes discharges after treatment into municipal sewers.

Water and Trade Waste Per Tonne (KL)^{1,4}



- Progress solar feasibility study in Storage & Logistics division.
- Aim to obtain external assurance of global emissions and energy data.
- Accumulate further data on waste management performance to improve reporting practices.



Filtration plant room for Perth borehole

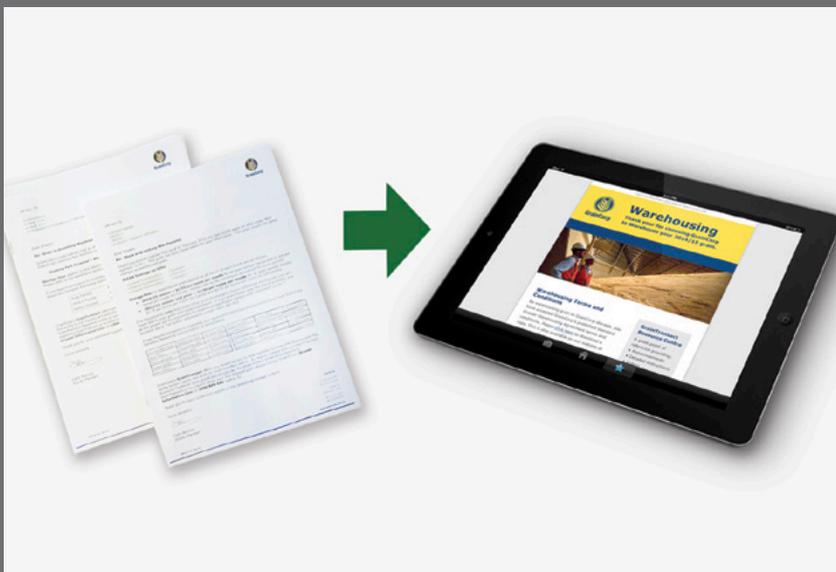
Highlight: The Operational Excellence Program – GrainCorp Malt

Implementation of initiatives as part of the Operational Excellence Program were progressed throughout the year. The program encourages a culture of excellence and innovative thinking where best in class processes are identified and findings shared across the global operations. Several initiatives in the UK, USA, Canada and Australia have taken advantage of technology that reduces electrical and gas consumption, with significant savings in operating costs.

- Pocatello, Idaho, US: The plant has successfully reduced the amount of water that needs to be eliminated at the kiln contributing to a decrease in electricity use and improved operating costs.
- Withlam, UK: Bairds Malt has significantly reduced water use and improved water reuse with the installation of effluent reuse facilities.
- Calgary and Thunder Bay, Canada: The installation of boreholes at these sites has reduced the need to purchase water externally.
- Perth, Australia: The installation of a borehole at the Perth Maltings was completed in September and is now supplying 100% of the site's water. The company was awarded a Bronze Certificate from the Government for their achievements in water reduction.

Highlight: Going paperless in Marong

As part of the grower communication process thousands of letters were being sent out each year. It was ascertained that over 80% of the growers had an email address so the process was changed such that these growers received their letter in email format and only the small proportion remaining received a paper letter.



COMMUNITY

We believe a strong sense of community is vital to a strong organisation.

GrainCorp seeks to contribute positively to each of the communities it operates in around the world. One of the ways this is achieved is via financial support to community minded initiatives. Funding is allocated according to the Group Community Fund objectives which are centred upon sustainable investments. GrainCorp also supports employees who donate their time and resources to valuable causes and we actively seek to be involved with the initiatives of our customers. Having significant operations in rural geographies we recognise that engaging with stakeholders at an industry level in these areas is important to ensuring we remain in touch with and relevant to local communities.



FY15 Performance

Our employees support charities of their choice through volunteering and fundraising. Many of our employees volunteer in their local communities, either individually or as part of a team. Employee efforts are supported with paid leave for volunteering. Examples of GrainCorp’s support to local communities are provided below:

FUNDING OF COMMUNITY INITIATIVES	GrainCorp Malt donated generously to the Watrous Playground Committee. The playground, in Watrous, Saskatchewan is a wheelchair accessible playground which gives children with disabilities a place to play.	GrainCorp helped fund an additional portable classroom to accommodate the increasing demand for after school care at Diesterweg School – the local school near the GrainCorp Malt facility at Worms (outside Frankfurt). Many of the children who require after school care have parents who work at the plant.	GrainCorp Oilseeds are major sponsors of “Show us Ya Wheels” – a local committee in Numurkah dedicated to preserving rail history. Funds from GrainCorp helped restore the rail yard’s turntable which is displayed at the park just around the corner from the Numurkah site.	GrainCorp donated new gloves and boxing equipment to the National Centre of Indigenous Excellence in Australia.
EMPLOYEE INVOLVEMENT IN COMMUNITY INITIATIVES	Members from GrainCorp Malt’s Calgary team participated in the “Electro Dash 5k Dance Party”. Proceeds went to the WinSport Academy. The Academy is a community of professionals dedicated to athlete development and performance.	The marketing operations team in Sydney spent a day at the Royal Far West School in Manly moving furniture, stripping back and painting outdoor furniture and filling up bean bags. The school works with over 1500 students each year aged 3-18, all from country New South Wales and often from remote areas of the state.	GrainCorp employees in Hamburg make regular donations of clothes and other items to refugees, especially children.	The team from the Gladstone Port terminal held a working bee to help repair damage caused within the Jambin Community in Central Queensland by Cyclone Marcia. GrainCorp also donated to the Thangool State Primary School which was badly damaged in the cyclone.
ENGAGING STAKEHOLDERS IN LOCAL COMMUNITIES	The Storage & Logistics team in New South Wales conduct quarterly grower focus groups. These round table discussions focus on operational issues, projects, marketing and local site issues. The discussion provides a forum for receiving feedback from growers and the growers value this opportunity to connect and engage.	The Storage & Logistics area managers attended the “Approaching Ag” Fair at Charles Sturt University in Wagga Wagga which provides information to students on the careers available in Agriculture.	GrainCorp Oils teamed up with GrainCorp domestic marketing to showcase the best of GrainCorp at Beef Week Australia. Beef Week is held every three years and allows GrainCorp the opportunity to connect with key stakeholders in the Australian beef industry, from smaller farmers and major corporates to processors and live trade exporters.	

FY16 Objectives

- Continue supporting local communities through the community fund program.
- Continue skilled volunteering and in-kind contributions.

Indigenous Community Engagement and Employment in Australia

GrainCorp is a proud employer of Aboriginal and Torres Strait Islander people, particularly in regional areas. The Reconciliation Action Plan (RAP) is a key component of the Community Fund Strategy. The RAP is based around 3 pillars comprising Building Relationships, Demonstrating Respect and Creating Opportunities.

Indigenous Employment in Australia

Through our Reconciliation Action Plan we aim to “bridge the gap” in employment opportunities for Indigenous Australians. GrainCorp partners with the Clontarf Foundation which assists young Aboriginal men in gaining entry to the workforce. As part of this relationship GrainCorp runs a school based mentoring program whereby traineeship opportunities are provided to year 11 boys. In 2016 we seek to increase this number further by strengthening GrainCorp’s visibility as a supporter of Clontarf.

FY15 Performance

In line with GrainCorp’s objective to expand its mentoring program for Indigenous people the following achievements were made:

- Steady increase in the number of Indigenous employees interested in training opportunities.

- 1 school based apprenticeship commenced.
- 2 school based traineeships completed.
- 1 school based trainee became permanent.
- GrainCorp’s partnership with the Clontarf Foundation was renewed.
- GrainCorp participated in Clontarf employment forums in Dubbo and Tamworth.

Other activities undertaken across the business in support of the Indigenous Community are outlined below:

- The second annual Indigenous Art Auction was held.
- GrainCorp sponsored the Western River’s Cup which is south-west Queensland’s only Indigenous cricket carnival.
- The team at Murrarie hosted a dedicated National Reconciliation Week flag raising ceremony and morning tea. Elise Wall (Principal Indigenous Engagement Officer at the Department of State Development, Infrastructure and Planning) was the guest speaker.
- The Queensland Country Storage & Logistics operations team held a kids colouring competition to celebrate National Reconciliation Week.

- The Storage & Logistics supply chain leadership team took part in the “Clean Slate Without Prejudice” program at the National Centre of Indigenous Excellence in Redfern, Sydney. The program targets local indigenous youths who are assigned an aboriginal mentor that brings them to boxing training three days a week and helps them find accommodation, education and employment.
- GrainCorp silos overlooking Newcastle Harbour were illuminated in red and yellow to help to mark NAIDOC week.
- The Emerald team planted trees for their site office in recognition of Reconciliation Week.
- The Carrington team completed cultural appreciation training at the Yamuloong Aboriginal Conference Centre providing an opportunity to gain insight into the Aboriginal culture.

FY16 Objectives

- Continue our Indigenous community engagement program and Reconciliation Action Plan.
- Continue to increase the number of Indigenous employees particularly in permanent roles.
- Continue to offer programs for Indigenous employees and school based trainees.



Highlight: The 2nd Annual Indigenous Art Auction

During the year GrainCorp employees around the world participated in the 2015 Indigenous Art Auction raising more than \$7000. There were more than 476 bids from employees across Australia, NZ, Germany and the USA. 100% of the donations were given to the four participating schools – Campbelltown Performing Arts, Matraville High School, Doonside Technology High School and Glebe Public School. Funds will go directly towards their Indigenous programs that provide literacy, numeracy, resources and art supplies and help cover the cost of uniforms and camps for underprivileged students.

Artwork by Jai Curby Boyd, age 12, student at Doonside Technology Highschool



Chris Mills and Mitchell Connors from the Sydney Office at the Royal Far West School in Manly.



One of the teams competing in the Western River's Cup which is Sponsored by GrainCorp.

Highlight:

“Schüler helfen leben” – student help program

GrainCorp’s office in Germany is proud to support the first foundation to be founded by students. The foundation has been in operation since 1998 and arranges for student volunteers to take a day off learning and offer their services to an aligned organisation – this organisation pays them a wage which is then donated to youth and educational projects. GrainCorp was happy to have Sofia, the daughter of Katrin Richter from the Hamburg office join the team for the day.



Highlight:

Women in grain conference – hosted by GrainCorp

Storage & Logistics launched its first “Women in Grain” initiative. The two day conference was highly interactive and included a tour of GrainCorp’s malting facility in Brisbane, a tour of the working site at Malu and a short “Milling for Non-Millers” course. Approximately 90 percent of attendees personally manage both the marketing and trading of all grain produced from their various enterprises.

GOVERNANCE

Focus Areas

- Corporate Governance
- Code of conduct
- Charters and policies

Governance

The Board is responsible for the oversight of GrainCorp's Sustainability Performance. GrainCorp's Corporate Governance Statement is included in the 2015 Annual Report.

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

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

Corporate Governance

GrainCorp's Board of Directors has overall responsibility for corporate governance and has a framework to manage corporate governance. The board is supported by board sub committees including:

- Board Audit Committee
- Business Risk Committee
- Safety Health Environment and Governance Committee
- People Remuneration and Nominations Committee

We report to the eight ASX Principles documented in our Corporate Governance Statement. Details regarding our corporate governance practices can be found in the 2015 Annual Report available on our website.

Code Of Conduct

Our code of conduct:

- Provides direction on avoiding and managing conflicts of interest
- Prohibits fraud
- Requires full compliance with laws and regulations
- Prohibits involvement in corruption or bribery
- Fosters the highest standards of integrity and business ethics
- Encompasses an independently managed whistleblower procedure
- Prohibits the contributions or donations to a political party or candidate, for consideration or favourable treatment

As part of our commitment to conducting our operations in compliance with international anti-corruption regulations and abiding by all applicable laws, we have become a member of TRACE International, a specialist provider of anti-bribery compliance programs.

Breaches of our Code of Conduct are considered serious and may result in disciplinary action.

Charters And Policies

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

- ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Australia)
- Corporate Social Responsibility (CSR) Reporting through SEDEX (not for profit membership organisation dedicated to driving improvements in ethical and

responsible business practices in global supply chains), EcoVadis & the Carbon Disclosure Project (Malt)

- Biomass and Biofuel Sustainability Voluntary Scheme (Storage & Logistics)
- Certified Sustainable Palm Oil (Oils, Storage & Logistics)
- Hazard Analysis and Critical Control Points (Oils, Storage & Logistics)
- Halal and Kosher certification (Oils, Storage & Logistics)
- International Sustainability and Carbon Certification for Sustainable Canola
- National Code of Practice for the control of Workplace Hazardous Substances
- National Greenhouse Energy Reporting (Australia)
- TRACE International
- ISO 9001 Quality Management Systems (Australia, and New Zealand in Oils)
- ISO 14001 Environmental Management Systems (Australia, United Kingdom and New Zealand)
- ISO 31000 Risk Management
- AS/NZ 4801 Safety Management Systems (Australia and New Zealand)
- OHSAS 18001 Occupational Health and Safety Standard (Australia, UK, Germany, USA and New Zealand)

Industry Associations

- GrainCorp is a member of various industry bodies including:
- Australian Sustainable Business Group
- SAI Platform-Sustainable Agriculture Initiative Australia
- National Farmers Federation
- Australian Food & Grocery Council Agribusiness Forum

STAKEHOLDERS

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

STAKEHOLDERS	HOW WE ENGAGE	AREAS OF INTEREST
Customers Employees Investors Debt capital providers Regulators Industry bodies Grower representative organisations Government Media – national and local Community bodies Equity research analysts Proxy and governance advisors	GrainCorp complies with its disclosure obligations and frequently updates stakeholders with information relating to additional areas of interest. We engage with stakeholders directly and indirectly through market updates and briefings, written updates, media statements, formal engagement processes, participating in committees and governance forums, formal submissions and community partnership activities.	In the past year we have engaged with stakeholders on issues including financial and operational performance, regulation, corporate governance, community relations activities.

GLOBAL REPORTING INITIATIVE

Addressing material issues

The GRI provides an internationally recognised framework for sustainability reporting. This report addresses material issues using the standard disclosures from the GRI G4 sustainability reporting guidelines. The report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines.

It is our intention to report in accordance with the GRI G4 core standard disclosure in our next reporting cycle.

Assurance

This report has not undergone external assurance by a third party.

GRI Ref	Description	Covered	Page Reference
STRATEGY AND ANALYSIS			
G4-1	Provide a statement from the most senior decision maker of the organisation about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability.	Yes	Page 2, 3
ORGANISATIONAL PROFILE			
G4-3	Report the name of the operation.	Yes	Page 1
G4-4	Report the primary brands, products and services.	Yes	Page 1
G4-5	Report the location of the organisation's headquarters.	Yes	IBC
G4-6	Report the number of countries where the organisation operates.	Yes	Page 1
G4-7	Report the nature of ownership and legal form.	Yes	Annual Report Page 125
G4-8	Report the markets served (including geographic breakdown, sectors served and types of customers and beneficiaries).	Yes	Page 1
G4-9	Report the scale of the organisation, including total number of employees and operations, net revenues, quantity of products or services provided.	Yes	Page 8 Annual Report Page 14
G4-10	Report the total number of employees by: employment contract and gender; permanent employees by employment type and gender; total workforce by employees and supervised workers and gender; workforce by region and gender; self-employed; any significant variations in employment numbers due to season, etc.	Yes	Page 8, 9
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	Yes	49% of employees are under collective bargaining agreements
G4-12	Describe the organisation's supply chain.	Yes	Page 1
G4-13	Report any significant changes during the reporting period on the organisation's size, structure, ownership or its supply chain.	Yes	Annual Report, Page 21
G4-14	Report whether and how the precautionary principle is addressed by the organisation.	No	GrainCorp does not explicitly reference the precautionary approach in its risk management framework.*
G4-15	List externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or endorses.	Yes	Page 18
G4-16	List memberships of associations.	Yes	Page 18
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	List all entities included in the organisation's consolidated financial statements.	Yes	Annual Report Pages 101-102
G4-18	Explain the process for defining the report content and the Aspect Boundaries; Explain how the organisation has implemented the Reporting Principles for Defining Report Content.	Partial	Page 2
G4-19	List all the material Aspects identified in the process for defining report content.	Yes	Page 3
G4-20	For each material Aspect, report the Aspect Boundary within the organisation.	Yes	All material Aspects listed in our sustainability reporting framework have impacts within and outside our organisation.
G4-21	For each material Aspect, report the Aspect Boundary outside the organisation.	Yes	All material Aspects listed in our sustainability reporting framework have impacts within and outside our organisation.
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for restatement.	Yes	Page 13

* In day-to-day operations we employ sound risk management practices which are in line with ASNZS ISO 31000:2009 which is described in our Annual Report and on our website.

GRI Ref	Description	Covered	Page Reference
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Yes	There are no significant changes in the Scope and Aspect Boundaries.
STAKEHOLDER ENGAGEMENT			
G4-24	Provide a list of stakeholder groups engaged by the organisation.	Yes	Page 18
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	Yes	Page 18
G4-26	Report the organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically for the report preparation process.	Partial	Page 18
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns.	Yes	Page 18
REPORT PROFILE			
G4-28	Reporting period.	Yes	IFC
G4-29	Date of most recent previous report.	Yes	IFC
G4-30	Reporting cycle	Yes	IFC
G4-31	Contact person	Yes	IBC
G4-32	Report the 'in accordance' option the organisation has chosen and report the GRI content index for the chosen option (core or comprehensive).	Yes	IFC
G4-33	Report the organisation's policy and current practice with regard to seeking external assurance for the report.	Yes	Not externally assured
GOVERNANCE			
G4-34	Report the governance structure of the organisation, including committees of the highest governance body.	Yes	Page 18
ETHICS AND INTEGRITY			
G4-56	Describe the organisation's values, principles, standards and norms or behaviour such as codes of conduct and codes of ethics.	Yes	Page 1, 18
MATERIAL ASPECTS			
PEOPLE			
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	Partial	Page 8
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Yes	Page 7,8,9,16
ENVIRONMENT			
G4-EN3	Energy consumption within the organization	Yes	
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Yes	
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Yes	
G4-EN8	Total water withdrawal by source	Yes	
G4-EN22	Total water discharge by quality and destination	Yes	
G4-EN23	Total weight of waste by type and disposal method	Yes	
COMMUNITY			
G4-EC1	Direct economic value generated and distributed-Community Investment	Yes	Page 15
HEALTH AND SAFETY			
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Partial	Page 5

CORPORATE DIRECTORY

Chairman

Don C Taylor

Managing Director and Chief Executive Officer

Mark L Palmquist

Non-executive Director

Rebecca P Dee-Bradbury

Non-executive Director

Barbara J Gibson

Non-executive Director

Peter J Housden

Non-executive Director

Donald G McGauchie

Non-executive Director

Daniel J Mangelsdorf

Non-executive Director

Peter I Richards

Non-executive Director

David B Trebeck

Non-executive Director

Simon L Tregoning

Company Secretaries

Gregory Greer

Betty Ivanoff

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Feedback and further information

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