

No-Deforestation Commitment Progress Report

June 2026



Introduction

Deforestation contributes to climate change and biodiversity loss and is a driver of emissions within our supply chain.

In line with our SBTi-validated Forest, Land and Agriculture (FLAG) sector emissions reduction target, GrainCorp committed to achieving no-deforestation¹ across its primary deforestation-linked commodities, with a target date of end of 2025. Our No-Deforestation Commitment (NDC) is based on a cutoff date² of 2020.

This report presents GrainCorp's progress against our NDC³.

Our approach to in-scope commodities

In FY24, we identified⁴ palm and soy as our primary deforestation-linked commodities. The palm and soy commodities we use that have the most material impact on deforestation are palm oil, soybean oil, soybeans and soybean meal – these are the products of the primary processing of palm and soy.

Across our business, we source these commodities for the following purposes:

- Human Nutrition sources palm oil and palm fractions (together referred to as palm oil) and soybean oil* as ingredients in our customer's products.
- GrainCorp sources soybeans* and soybean meal* for international customers with whom we often have existing relationships for the supply of other feed ingredients and feedstocks.

We also utilise Palm Acid Oil (PAO) and Palm Kernel Expeller (PKE) as ingredients in animal feed formulations. These commodities result from the secondary processing of the by-products and

waste streams from primary processing to enable their use in applications such as soap manufacturing and animal feed. As such, they generate significantly less revenue across the global palm industry and are therefore a less significant driver of deforestation. By including these commodities in our NDC, GrainCorp's aim is to promote transparency across all stages of the commodities' useful life.

How we assess deforestation for in-scope commodities

The methodologies used to demonstrate deforestation free for in-scope commodities have been developed in line with the Accountability Framework initiative (AFi) and utilise a combination of the below criteria:

- Approved third-party certification⁵
- Traceability to a region with negligible risk of deforestation⁶
- Traceability to a production area assessed remotely as deforestation free⁷
- Sourced from a supplier that GrainCorp has determined to have a best practice deforestation control mechanism in place⁸

¹ SBTi uses the Accountability Framework definition of deforestation. Deforestation is defined as loss of natural forest as a result of i) conversion to agriculture or other non-forest land use, ii) conversion to a tree plantation, or iii) severe and sustained degradation.

² The date after which deforestation or conversion renders a given area or production unit noncompliant with no deforestation commitments, policies, goals, targets, or other obligations.

³ Progress is based on data for GrainCorp's Financial Year, 1 October 2024 to 30 September 2025.

⁴ Primary deforestation-linked commodities were identified via an independent biodiversity risk assessment of GrainCorp's spend in 2023.

⁵ Third party certification schemes considered to provide full Deforestation Free status as defined by the Carbon Disclosure Project (CDP). CDP Worldwide. (2026). Reporting progress on Deforestation- and Conversion-free value chains: CDP technical note (Version 4.0). https://cdn.cdp.net/cdp-production/cms/guidance_docs/pdfs/000/004/231/original/CDP_technical_note_-_forests_implementation.pdf

⁶ Regions with negligible risk of deforestation are determined based on a combination of the EUDR Country Benchmarking System and analysis of trade flows into and out of the region.

⁷ Production areas assessed using Global Forest Watch (GFW) satellite imagery.

⁸ GrainCorp regularly reviews the deforestation control mechanisms of suppliers and maintains a dynamic list of approved suppliers.

*Soybean oil, soybeans and soybean meal are together referred to as soy.

FY25 performance and actions going forward

Products of primary processing

Palm Oil

	Category	Volume (% of total)	Reason for compliance gap	Actions to sustain or achieve compliance	Timeframe (milestone)
Compliant	Certified with segregated chain of custody		n/a	Continue use of certification	Ongoing
	Production area assessed remotely as DF		n/a	Continue production area assessment	Ongoing
	Total compliant volumes	100%			

Our palm oil supply chains are 100 per cent deforestation free in FY25. We have achieved this by sourcing palm oil that maintains approved third-party certification or that has been assessed as deforestation free via the remote assessment of production areas. Our actions going forward are focused on maintaining compliance.

Soy (soybean oil, soybeans, soybean meal)

	Category	Volume (% of total)	Reason for compliance gap	Actions to sustain or achieve compliance	Timeframe (milestone)
Compliant	Certified with Mass Balance chain of custody and; Sourced via a trader control system that meets GrainCorp's due diligence criteria		n/a	Continue use of certification	Ongoing
	Sourced from negligible risk region		n/a	Continue monitoring suppliers' deforestation mechanisms	Ongoing
	Sourced from negligible risk region		n/a	Continue sourcing area risk assessment	Ongoing
	Total compliant volumes	94%			
Not known to be compliant	Known non-compliance	0%	n/a	n/a	n/a
	Soy sourced via a trader control system that meets GrainCorp's due diligence criteria, but soy sourced has no traceability information	6%	Soy with no origin data available	Improve traceability by engaging suppliers	FY26: Understand likely municipality of origin
	Total volumes not known to be compliant	6%			
Total soy sourcing		100%			

Across the three soy supply chains in scope of our NDC, we have reached 94 per cent deforestation free in FY25.

There remains a portion of soy for which we do not have enough information to determine deforestation free status, and our focus is on engaging with suppliers to build our understanding of their approach to traceability for the relevant volumes.

Products of secondary processing

Palm Kernel Expeller

PKE is a solid residue derived from the crushed kernel of the palm fruit. Originally treated as waste, it is processed and utilised as animal feed. New Zealand is the largest importer of PKE, relying on it as a cost-effective supplementary feed for its intensive dairy industry and GrainCorp's animal nutrition business in New Zealand supplies PKE to customers. The supply chain for PKE is more fragmented than the palm oil supply chain and large volumes are frequently aggregated for bulk export, making traceability more complex.

Developing the traceability systems and processes that enable deforestation assessment for PKE will take time and as a buyer upstream in the supply chain, our first step has been to engage our first importer suppliers to understand how they are approaching this important issue.

In FY25, while none of the volume we sourced can be categorised as deforestation free in line with our AFI aligned methodology, we have determined that our major supplier has implemented a robust supplier approval and monitoring process that ensures tier 2⁹ suppliers are publicly reporting their progress toward deforestation free supply chains annually. In FY26 we will extend our engagement to include additional PKE suppliers.

FY25 Key Achievement: Majority PKE volume subject to public reporting of progress toward deforestation free.

FY26 Priority Action: Engage additional suppliers to understand their approach to deforestation free PKE supply chains.

Palm Acid Oil

Palm Acid Oil (PAO) is waste residue that is produced during the refining of crude palm oil. It is widely used as a cost-effective raw material for applications including soap manufacturing and animal feed. PAO is sourced from operations including palm oil mills and refineries, oleochemical plants and small holders by local collectors and specialised traders who consolidate smaller volumes for bulk export.

GrainCorp's primary supplier of PAO is a local collector and through a structured supplier engagement program we have worked together to progressively implement traceability documentation. In FY25, we have reached 100 per cent traceability to tier 2⁹ PAO suppliers. This has enabled us to trace more than half of our FY25 PAO volume to origin, and through production area satellite monitoring we are able to categorise this volume as deforestation free.

The mix of tier 2⁹ suppliers included in each volume we source varies by shipment and is largely driven by volume availability. Our focus is on understanding the operations of our dynamic tier 2⁹ supplier pool and developing appropriate supplier engagement strategies to enable supply chain mapping. In FY26 we will prioritise engagement with the oleochemical plants in our PAO supply chain.

FY25 Key Achievement: Majority of PAO volume categorised as deforestation free.

FY26 Priority Action: Prioritise engagement with oleochemical plants in our PAO supply chain.

⁹ A tier 2 supplier provides raw materials directly to GrainCorp's tier 1 supplier.

Summary

In FY25 we have achieved high levels of volume compliance with the AFi aligned definition of deforestation free across our priority supply chains of palm oil and soy (products of primary processing).

We recognise that product volume compliance provides only a snapshot of performance at a point in time and we are focused on refining the supplier onboarding and traceability processes that underpin our ability to monitor performance over the long-term.

- Palm Oil: 100 % deforestation free
- Soy: 96% deforestation free.

Through our supplier engagement program, we have made strong progress in understanding the supply chains of PKE and PAO (products of secondary processing) and the structural challenges these industries face in implementing traceability.

We maintain our ambition toward achieving deforestation free across these supply chains and, as a buyer upstream in the supply chain, our priority is to continue our programs of supplier engagement to support progress at an industry level.

Next Steps

As a buyer upstream in the soy supply chain, our focus is on the deforestation control systems of suppliers. Our soy suppliers must meet certain due diligence criteria in relation to their efforts to eliminate deforestation from their direct and indirect soy supply chains, including a deforestation commitment that is aligned to ours.

There has been a recent shift in the South American soy industry's approach to deforestation cutoff dates that impacts GrainCorp's ability to maintain our FY25 performance for soy. We are currently working through our options and will provide an update within the next 12 months while also continuing to work with suppliers to deepen our understanding of traceability for relevant volumes.