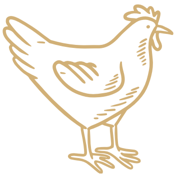
Growing OUR CAPACITY AND **CAPABILITY**

INGHAM'S
Always Good

ANNUAL REPORT 2023

WHO WE ARE



INGHAM'S IS THE LARGEST INTEGRATED POULTRY PRODUCER ACROSS AUSTRALIA AND NEW ZEALAND.

Contents

Front cover image: Broiler farm, Queensland

We supply chicken, turkey and plant-based protein products to retail customers, quick service restaurants, foodservice distributors, and wholesale and export channels. We are also one of the largest producers of stockfeed in Australia.

We employ approximately 8,000 people who work together to support each other, our animals and our customers. Our purpose is to provide deliciously good food in the best way by providing the best quality products and services to our customers and consumers.

We are committed to being Always Good, building on our long-standing and solid reputation for sustainable operations and animal welfare standards. We are proud that all of our barn-raised and free-range broiler* farming facilities in Australia are certified by the RSPCA Approved Farming Scheme. Ingham's is also proud to be the first and only poultry producer in New Zealand to have all of its barn-raised and free-range broiler* farms SPCA Certified.

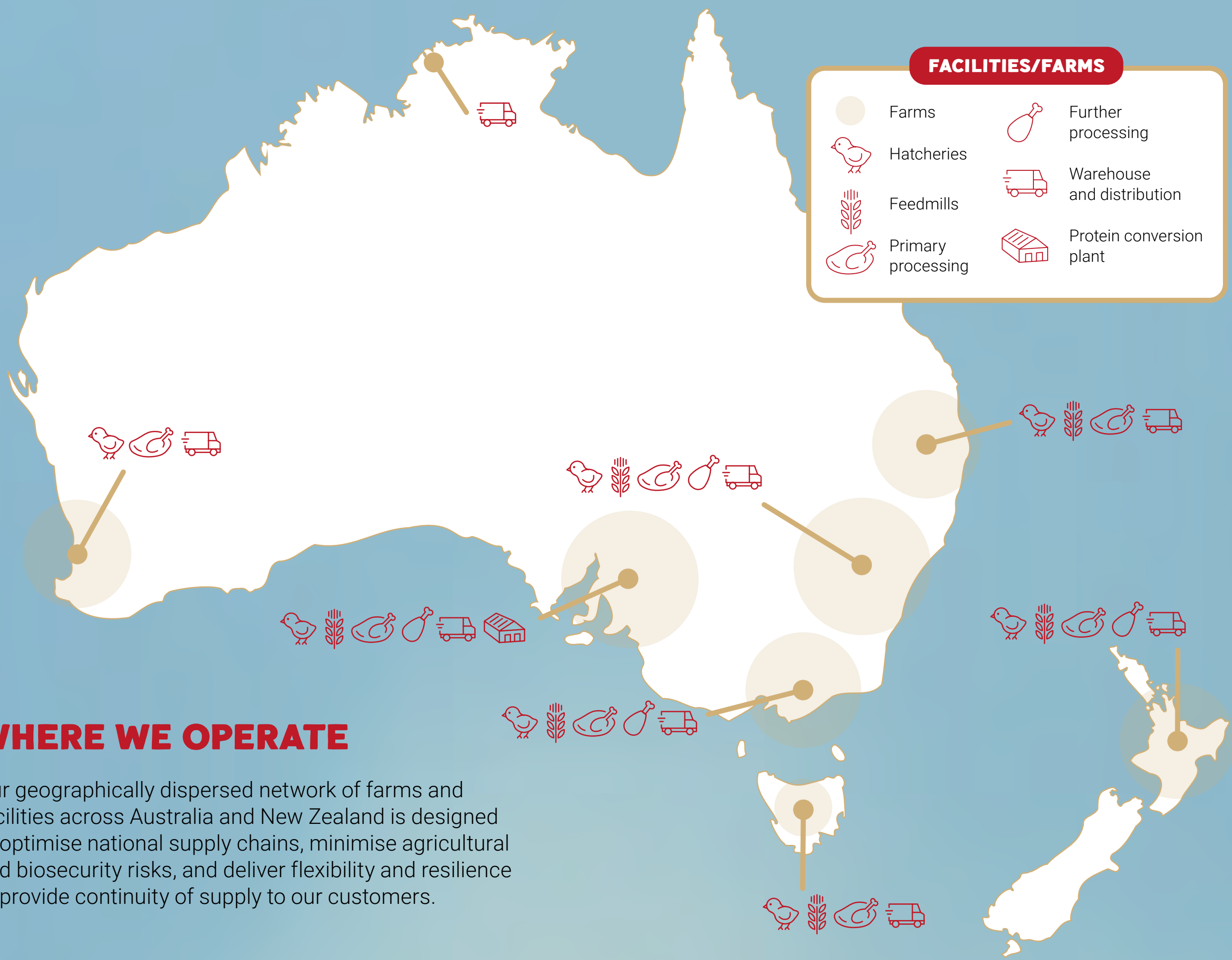
* *Broiler farms nurture our animals bred for meat production.*

Notes to financials
All financials are in Australian dollars, unless otherwise stated. The financial figures provided in the front section of the Annual Report, pages 1 to 48, have been rounded, and therefore some totals and percentages may not add up exactly.

The underlying results exclude the profit or loss on sales of assets, business transformation costs, impairments and restructuring charges. Further, Underlying NPAT excludes tax on the above-mentioned exclusions.

Online Annual Report
This report can be viewed online at www.inghams.com.au

Help us to reduce our impact on the environment
Email Web.Queries@computershare.com.au to request an electronic copy of the Annual Report in future.



WHERE WE OPERATE

Our geographically dispersed network of farms and facilities across Australia and New Zealand is designed to optimise national supply chains, minimise agricultural and biosecurity risks, and deliver flexibility and resilience to provide continuity of supply to our customers.

OUR PROUD HISTORY

Ingham's began as a family business in 1918 when Walter Ingham Snr purchased 42 acres of land near Liverpool, New South Wales for his son Walter Jnr to farm. In 1953, Walter Jnr's sons, Bob and Jack Ingham, inherited and expanded the business across Australia. The company started supplying products to major retail and quick service restaurants in the 1960s, before expanding to produce turkey and stockfeed, followed by value-enhanced products.

In 1990, operations commenced in New Zealand. The company was acquired by TPG Capital in 2013 and listed on the Australian Securities Exchange in 2016. TPG Capital sold their remaining shareholding on 26 August 2020. During the past decade, we have invested more than $1 billion in state-of-the-art and sustainable facilities to meet future growth and firmly establish Ingham's as an industry leader in Australia and New Zealand poultry.

Broiler farm, Queensland

OUR INTEGRATED OPERATING MODEL

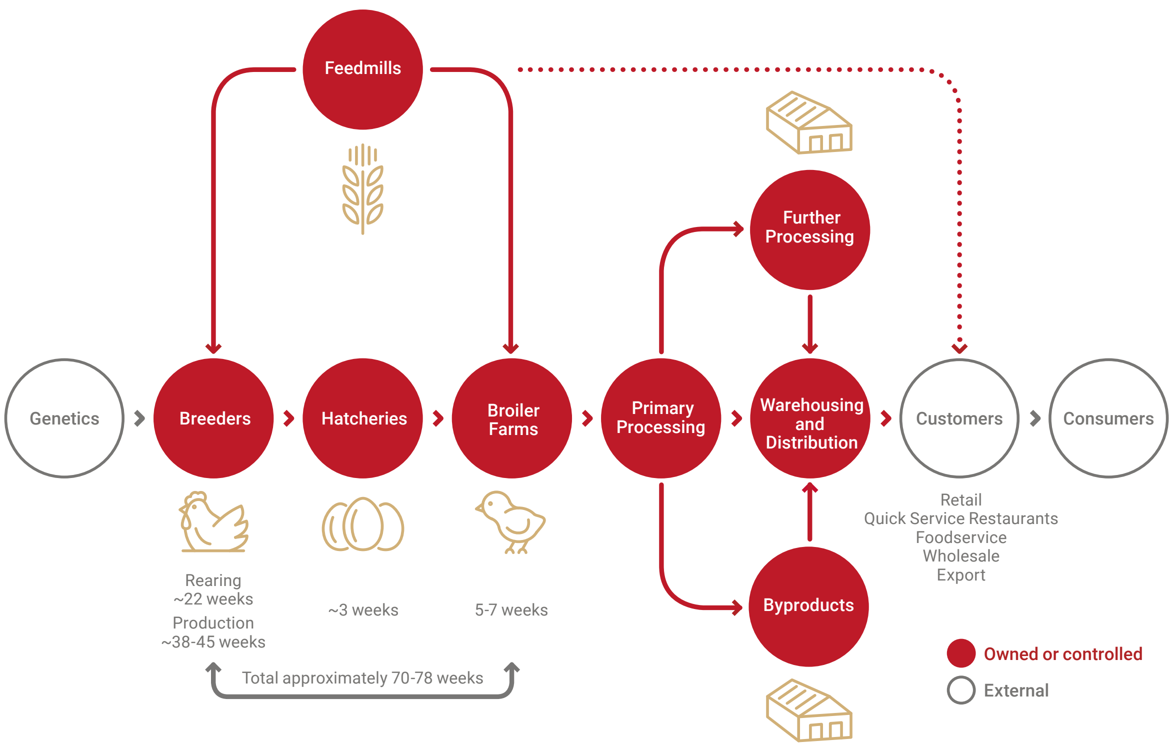
INGHAM'S VERTICALLY INTEGRATED OPERATING MODEL AND GEOGRAPHICALLY DISPERSED NETWORK UNDERPINS THE RESILIENCE OF OUR NETWORK.

Our model reduces biosecurity risks and enables us to leverage our national network to meet our customers' needs.

We have further invested in our network to reinforce our strong platform for future growth by:

- Constructing a new breeder complex in northern New South Wales;
- Entering into an agreement to acquire Bromley Park Hatcheries in New Zealand;
- Opening new distribution centres in Victoria and South Australia;
- Constructing a new water recycling and treatment plant in Western Australia; and
- Investing in new plant and equipment to improve our productivity at our primary processing facilities in Queensland, Victoria and South Australia.

You can read more about these investments that build our capacity and capability in our Operational Highlights on page 6.



KEY FINANCIAL STATISTICS

463.5KT
CORE POULTRY VOLUME

14.5CPS
DIVIDEND PER SHARE (FULLY FRANKED)

$60.4M
STATUTORY NPAT

$183.6M
UNDERLYING (PRE AASB 16) EBITDA

1.4X
LEVERAGE RATIO

CHAIR'S REPORT

Helen Nash
Chair

Welcome to this year's Annual Report and my first as Ingham's Chair of the Board.

I am pleased to report that your business is in good shape, with the 2023 Financial Year characterised by the momentum of the operational recovery across all aspects of the business.

Financial results

Our FY23 results are a testament to our people, whose unwavering commitment to staying safe and continually improving our safety performance, delivering value to our customers and improving business results has ensured our business is well positioned with a strong platform for growth. A key element of our improved financial performance has been the steady return of our operations to normal performance levels, supported by the ongoing recovery in our farming performance and improvements in supply chain conditions. While the cost environment has been challenging, with the price of feed and other inputs remaining elevated, we have productively engaged with our customers to implement price increases across all channels to offset these inflationary impacts.

Our FY23 results include:

- Revenue of $3.0 billion, an increase of 12.2%;
- Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (pre AASB 16) of $183.6 million, an increase of 35.8%;
- Net Profit After Tax of $60.4 million, an increase of 72.1%;
- Group core poultry volume of 463.5 kilotonnes, a decrease of 0.4%;
- Net debt of $262.5 million down by 1.8%, and leverage of 1.4 times which is within the Company's target range; and
- Fully franked dividends of 14.5 cents per share, an increase of 107.1%.

The capital investments made in our business strongly position our integrated operating model across Australia and New Zealand for earnings growth.

Sustainability

We are delighted to be the first and only poultry producer in New Zealand to have all of our barn-raised and free-range broiler farms SPCA Certified. Together with having all of our barn-raised and free-range broiler farming facilities in Australia certified RSPCA Approved Scheme, we are well positioned to continue to make a positive difference in addressing sustainability challenges and capturing opportunities.

We continue to play a sustainability leadership role in the poultry industry, including in the areas of animal welfare, food quality and safety. Our Sustainability Report from page 14 outlines our commitment to our most material topics and where we can influence change within our gate and beyond.

Board leadership

Non-Executive Director, Robyn Stubbs stepped down on 21 June 2023 due to health reasons. Robyn joined the Board in January 2022 and made a significant contribution, including as Chair of the People and Remuneration Committee. The Board wishes her all the best as she focuses on recovering. Tim Longstaff has assumed the role as Chair of the People and Remuneration Committee.

On behalf of the Board and all stakeholders, I am delighted to welcome Non-Executive Director, Margaret ('Margie') Haseltine to the Board with effect from 1 September 2023. Margie has more than 30 years of relevant business experience across supply chains and logistics, product and brand, strategy, risk and change management. Together with her FMCG experience, including her past role as Chief Executive Officer of Mars Inc Group in Australia, she will be a great asset to the Board. Her skills and experience reflect our strategic objectives and she is aligned to our values. Margie will join the Risk and Sustainability Committee and the Nominations Committee.

Non-Executive Director Jackie McArthur will retire from the Board at the conclusion of the Company's 2023 Annual General Meeting. Jackie joined the Board in 2017. On behalf of the Board, I would like to thank Jackie for her significant contribution during her six years with Ingham's, including her leadership of the Risk and Sustainability Committee underpinned by a commitment to safety and animal welfare, and her depth of operational and supply chain experience. Following Jackie's retirement, Non-Executive Director Rob Gordon will become Chair of the Risk and Sustainability Committee.

Thank you

As my first year as Chair of Ingham's draws to a close, I would like to thank our people, the Ingham's leadership team, my fellow Board members and our shareholders for your support. Together with a strong recovery in revenue and profit during the year, and the ongoing investments we are making in our network capacity and capability, Ingham's is well positioned for long-term growth.

CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR'S REPORT

Andrew Reeves
Chief Executive Officer and Managing Director

The 2023 Financial Year was a period of stabilisation and recovery for Ingham's as we progressively return to normal operating levels across the business. I am proud of our results, which demonstrate the breadth and continuing momentum of our operational recovery.

Operational and sustainability highlights

Ingham's is making significant investments in our network to ensure we are strongly positioned for long-term sustainable growth.

The acquisition of Bromley Park Hatcheries in New Zealand is on track for completion before the end of 2023. It brings a modern hatchery and the opportunity to be self-sufficient in supply of our day old chick requirements. In Australia, we are building a new breeder complex in northern New South Wales to boost our capacity to produce up to another 700,000 eggs per week when fully operational in FY24. These investments will boost our future capacity.

Our supply chain has also been strengthened as we opened a new and larger 5 Star Green Star distribution centre in South Australia in FY23 with 30% more storage capacity. This follows the opening of a similar sustainably designed 4 Star Green Star facility in Truganina, Victoria also this financial year and a third is under construction in Hazelmere, Western Australia. We are in a great position to reliably provide even more of our deliciously good products to our customers from these major distribution hubs.

Sustainability is at the core of how Ingham's is run and is key to growing our business responsibly. To improve water efficiency and grow our production capacity, we are constructing a new water recycling and treatment plant at our primary processing facility in Osborne Park, Western Australia. We also plan to upgrade our primary processing and hatchery facilities in Tasmania.

We are also maintaining our focus on long-term operational efficiency with investments in new automation equipment across FY24 and FY25 including new leg deboners and water cutters at Bolivar, Murarrie and Somerville.

While we continue to experience cost pressure across the business with significant increases in feed and other input costs, we are working closely with our customers to ensure our pricing appropriately reflects this, implementing price increases as required.

Every year, we continue to focus on product innovation in line with our purpose to provide deliciously good food in the best way. This has led to improvements in the health and sustainability of our products as featured in our Operational Highlights and the Sustainability Report.

People

Our commitment to take care of our people ensured we maintained our focus on our safety performance. In FY23, we reduced our Lost Time Injury Frequency Rate by 14% to 2.4 and the Total Recordable Injury Frequency Rate by 7% to 4.75.

We have also continued to invest in our people through our Inclusion, Equity and Diversity Framework to ensure Ingham's is a good place to work and where everyone feels valued and is able to speak up at work. This investment has seen us increase the representation of women in leadership from 28% to 34%, exceeding our FY23 30% target.

Looking ahead

As we begin the new financial year, I am pleased that our progress of returning to normal operating conditions is continuing with solid momentum, allowing us to confidently plan for the future.

Investments in automation and the network are designed to future proof Ingham's business through improved capability to meet current and future consumer requirements.

Our products continue to benefit by virtue of their position as being affordable and the more sustainable land-based meat protein, giving us the confidence we can achieve our ambition to be the number one choice for consumers and maintain our position as the largest integrated poultry producer across Australia and New Zealand.

OPERATIONAL HIGHLIGHTS

MEETING DEMAND WITH DINNER DONE

Ingham's has invested time to learn more about our consumers to understand their daily meal planning requirements. This comprehensive process included workshops to explore and understand consumer tensions and behaviours, testing of hypotheses, and research into consumer habits at home.

From this research, we identified the biggest opportunity was to solve people's demand to get Dinner Done.

Ideas for our Dinner Done campaign focus on easy mid-week meals that are fast, familiar, thrifty and satisfy all tastes.

Helping to show people how to get dinner done is Ingham's new brand ambassador, Manu Feildel, renowned as a chef and popular with audiences on television cooking shows, such as My Kitchen Rules on Channel 7.

Manu stars on Ingham's social media platforms serving up recipes such as Asian cabbage salad with chicken tenders, or a seasoned chicken tray bake with slaw.

> **"I'm thrilled to announce my partnership with Ingham's to create new and exciting chicken recipes that will take your taste buds on a delicious journey."**
>
> **MANU FEILDEL**

114%

INCREASE IN POSITIVE SENTIMENT THROUGH OUR ONLINE ENGAGEMENT

Through a multimedia marketing campaign connecting with consumers across social media (both owned and paid), and trade publications, we achieved a 192% increase in reach during the first month of our campaign, and a 3.66% click-through rate for engagement, well above the 1% industry average.

The demand for poultry continues to grow. Against significant inflationary pressures, chicken retains its long-standing affordability versus other land-based meat proteins and remains popular for its versatility and sustainability.

INVESTING IN FARMING

A new breeder complex

Ingham's has invested in the construction of a new breeder farm in Casino in northern New South Wales. This will increase our capacity and position us as a strong employer in the region with 45 people joining our team.

The new farm is close to Ingham's breeder farms in northern New South Wales – at Coombell, Boorabee Park and Yorklea – enabling us to share labour and resources within the region while leveraging synergies such as more efficient transport of eggs to our hatcheries at Mckees Hill and Mount Alford.

The new breeder complex has one rearing farm supplying two breeder (egg-producing) farms. The rearing farm was operational from November 2022, the first breeder farm was operational in April 2023 and the final farm will be operational in FY24.

Once complete, the farms will have the capacity to support the growing demand for our products.

Acquisition of Bromley Park Hatcheries

Ingham's acquisition of Bromley Park Hatcheries in New Zealand will increase our hatchery and breeder capacity by up to 50% and strengthen our supply chain in the country.

As Bromley is an existing supplier to Ingham's for day-old-chicks, the boost to our supply chain comes from becoming self-sufficient.

We will further strengthen the resilience of our supply chain by investing in biosecurity and automation as well as integrating Ingham's award-winning farming practices. Most recently, Ingham's received a gold award in the 2022 Aviagen ANZ Parent Stock Awards, which recognise excellence in the health and welfare of chickens hatched.

Ingham's existing strong relationship with Bromley will support a smooth transition of their 90 people to the Ingham's team. Early workshops with the team have focused on how we can achieve more value together by sharing our management systems and processes.

The increased capacity allows us to pursue new sales channels, such as supplying fertile eggs and day-old-chicks to domestic and export markets.

The acquisition has received all regulatory approvals, and is on track for completion before the end of 2023.

WE ARE THE FIRST AND ONLY POULTRY PRODUCER IN NEW ZEALAND TO BE SPCA CERTIFIED FOR OUR BROILER FARMS.

WE HAVE INCREASED THE CAPACITY OF OUR FARMING FACILITIES ACROSS AUSTRALIA AND NEW ZEALAND.

Animal welfare certification

This financial year, we worked closely with SPCA in New Zealand to certify our broiler farms. This was granted in August. Improvements to our facilities to achieve this certification includes enhancing animal welfare by reducing bird density and installing equipment such as perches for play to support their natural behaviours. We are proud all of our barn-raised and free-range broiler* farming facilities in Australia are certified by the RSPCA Approved Farming Scheme. Ingham's is also proud to be the first and only poultry producer in New Zealand to have all of its barn-raised and free-range broiler* farms SPCA Certified.

* *Broiler farms nurture our animals bred for meat production.*

Breeder farm, New South Wales

INGHAM'S IS CONTINUING ITS **INVESTMENT IN SUSTAINABLE GROWTH**.

STRENGTHENING THE SUSTAINABILITY OF OUR NETWORK

Green Star distribution

As part of Ingham's continuing investment in sustainably growing our network, we opened a new temperature-controlled distribution centre in Edinburgh Parks, South Australia in April 2023. This new facility follows the opening of a similarly sustainably designed facility in Truganina, Victoria in August 2022, with a third under construction in Hazelmere, Western Australia and due to open in 2024.

For this new facility, we are targeting a 5 Star Green Star Design and As Built standard from the Green Building Council Australia, with features including:

- One megawatt of solar panels on the rooftop, which will power 30% of our energy consumption;
- An underground Eco Aid system to capture and filter groundwater before releasing it to the stormwater system;
- On-site rainwater storage and water recycling for toilet flushing, refrigeration and irrigation;
- Energy efficient low charge ammonia systems;
- Electric car charging stations; and
- Construction processes to reduce greenhouse gas emissions, including the use of sustainable material, where possible.

Built adjacent to our existing further processing plant, the new distribution centre reduces our transport footprint to ensure the freshest and highest quality stock is supplied to our customers. The new centre also features 30% more storage capacity compared to the prior facility, further expanding South Australia's role as a major distribution hub.

Distribution centre, South Australia

OPERATIONAL HIGHLIGHTS CONTINUED

Increased water treatment capacity

In December 2022, Ingham's started construction of a new water recycling and treatment plant at our Osborne Park primary processing facility in Western Australia.

This capital works project is essential to supporting Osborne Park's capacity for future growth. The increased capacity will also strengthen our local supply chain by decreasing dependence on supply from the east coast and minimising risk from disruptions along the transport network.

The new plant also improves the sustainability of our operations with the more modern and expanded plant efficiently treating water and reducing odour emissions. Additionally, the recycling water system is expected to reduce incoming water supply by up to 40%.

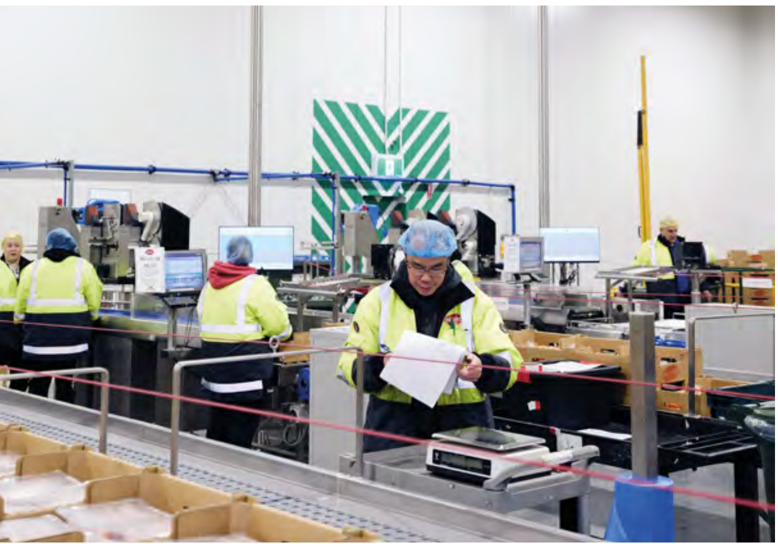
Commissioning and handover of the plant is expected to be complete by the end of 2023.

New equipment to boost productivity

We are investing for growth with the planned installation of new Ultimate Leg Deboners at our Bolivar, Murarrie and Somerville primary processing facilities in FY24. This new equipment more efficiently debones legs to make thighs, drumsticks and fillets using an internal x-ray which adjusts to different sizes ensuring higher production and reducing the labour needed to process the product. This will replace the current manual handling method, which in turn supports our safety objectives and drives efficiencies to meet demand for our products.

New direct stream injection (DSI) waterjet cutters are also being installed at our Bolivar and Murarrie primary processing facilities in FY24 to FY25. The new DSIs will improve the rate at which we can produce fresh and value-enhanced chicken products – such as shaped and sliced chicken breast for schnitzels and stir fries – for our quick service restaurant and retail customers.

Together, these boosts to automation will help to meet the shift in consumer demand for Dinner Done and tray pack options.



Distribution centre, South Australia

PRODUCT INNOVATION

INGHAM'S

Australia

1kg bags – Ingham's new big packs are filled with more of the chicken our consumers love. The resealable bag is convenient so our consumers can cook what they need, reseal and save the rest for future meals and snacks. Nuggets, Tenders, Chicken Chipees® and Munchies are available in the new big packs ready for the oven or air fryer.

AirMazing™ – This new range is prepared using our new advanced air-fried technology, specially cooked in our ovens, never deep fried, and using less oil. The AirMazing™ range has 50% less fat* and features chicken tenders and nuggets for the oven or air fryer.

* *Contains 50% less total fat than Ingham's Original Chicken Breast Nuggets and Tenders.*

New Zealand

Butterflied chicken flavour extension – a sweet and smokey butterflied chicken, packaged in a bag made with 80% recycled content.

Let's Eat Southern Bites – a new product in the Let's Eat plant-based range that are lightly coated with a southern style crunchy crumb.

QUICK SERVICE RESTAURANT AND FOOD SERVICE

Australia

Core quality improvements – working with customers to remove preservatives.

Devil tenders – offering our classic devil flavour on tenders for sale through foodservice outlets.

New Zealand

Nacho cheese tenders – providing a unique flavour extension to customers' product range.

Spicy nuggets – expanding customers' product range.

Spicy popcorn – expanding customers' product range.

Salt 'n' pepper bites – expanding customers' product range.

Buttermilk fillet – providing a more cost-effective product offering for customers.

Crispy fillet burger – expanding customers' product range.

RETAIL

Australia

Summer BBQ – honey mustard chicken steaks.

Summer free-range – value-enhanced free-range chicken, including marinated legs, chicken breast stir fry, crumbed breast strips, half chicken portion, and plain chicken breast kebabs.

Christmas – seasoned whole free range chicken with bacon, free-range turkey crown with traditional stuffing, and free-range chicken roast with gingerbread stuffing.

Christmas – oven roasted turkey buffe, free-range whole chicken, and turducken roast.

Winter free-range – free-range whole chicken with stuffing, butterflied chicken marinated in buttermilk Moroccan and Harissa spices, and plain chicken breast steaks.

Rotisserie chicken flavour rotation – rotisserie chicken available in the deli, seasoned with Memphis-style flavours.

Middle Eastern portions – tray packs seasoned with Middle Eastern-style flavours.

Fresh free-range – providing a variety of products expanding customers' range, including whole chicken, breast and thigh tray packs, chicken drumsticks and tenderloins, stir fry and chicken chips.

Frozen – expanding customers' frozen product range with chicken chips, schnitzel, and original and sweet chilli tenders.

New Zealand

Butterflied chicken – expanding range with the introduction of butterflied chicken in two different flavours.

Marinated chicken steaks – introducing marinated chicken steaks to customers' product range in two different flavours.

1kg bags – introducing new big packs of tenders and bites in the frozen section.

BUILDING A CONSTRUCTIVE CULTURE

INGHAM'S CONTINUES TO MAKE PROGRESS IN OUR JOURNEY TO BECOMING A MORE CONSTRUCTIVE AND INCLUSIVE CULTURE THROUGH A RANGE OF NEW AND EXISTING PROGRAMS.

These programs support the way our people lead and communicate, helping to shape our culture and, in turn, impacting our effectiveness to deliver our strategy.

During FY23, we refreshed our employee value proposition – The Good Work Life – a program of employee experiences promoting Ingham's as a good place to work and grow, where good ideas happen and feedback is valued, and an organisation that makes good changes through community engagement and sustainability. This refresh was led by employee feedback to ensure we continue to focus on attracting and retaining good people.

Our inclusion, equity and diversity framework is focused on making Ingham's a good place to work by acknowledging days of recognition, including Lunar New Year, International Women's Day, Sydney WorldPride 2023, and First Nations and Māori events, such as National Reconciliation Week in Australia and Matariki in New Zealand. We surveyed our people and identified approximately 20 unique cultures across our team, giving us the best reason to celebrate the diversity of our people and the unique voices they bring to our organisation. Celebrating diversity also empowers and encourages our people to bring their best selves to work, giving them the psychological safety to speak up when it comes to suggesting innovation or keeping each other safe.

We're committed to making Ingham's a good place to grow by delivering development programs at all levels of the organisation. For our senior leaders, 70 have completed our Thrive program, which enables growth as a leader via a range of approaches, including self-reflection with an insight into their leadership impact and effectiveness. More than 450 people leaders have participated in Grow, which focuses on developing our frontline leaders' ability to constructively lead and positively contribute to our culture and organisation. All our leadership programs have inclusion, equity and diversity training.

THE GOOD WORK LIFE

GOOD EGG AWARDS

NATIONAL RECONCILIATION WEEK

WOOLIES WHEELS AND WALKS

We also launched a new program, Connect, to frontline employees in Australia, which will ultimately deliver The Ingham's Way (our values and behaviours) and our refreshed employee value proposition to our 7,000 teammates. Connect will build our people's leadership skills and wellbeing, focusing on behaviours to empower them with the courage to speak up if something's not right or they see opportunities to improve. In New Zealand, our Homegrown program builds on The Ingham's Way training to provide leadership skills to select high potential employees across all sites. Currently, 30% of Homegrown alumni have taken on roles with greater responsibility.

We reward and recognise good ideas at Ingham's through our communications platform, Workplace. The internal social media platform encourages good ideas and empowers our people to share their stories directly to Workplace. We also draw on our people's feedback through regular polling. Our Good Egg Awards also reinforce good ideas by celebrating our people each quarter for their solutions-based and innovative approaches to supporting our purpose, values and safety.

Our people are part of our commitment to making good changes for our planet. In FY23, Ingham's donated approximately 500 tonnes of product to Foodbank Australia, allowing them to provide more than 935,000 equivalent meals to support people across the country who are experiencing food insecurity. These efforts support our ongoing national agreement with Foodbank. Our people joined our commitment as a diamond sponsor of Woolies Wheels and Walks raising more than $8,000 for Tour de Cure's support for cancer research and patients.

We also donated $150,000 to the Ingham's Institute for Applied Medical Research as part of our three-year agreement. The Institute funds and leads world-class medical research to treat people living with medical conditions and diseases, including cancer research, rehabilitation, and mental health.

We are focused on continuously improving our employee experience by listening to our people and ensuring Ingham's is what our people told us they want it to be – a good place to work and grow, where good ideas happen and where we are making good changes.

Good FOR OUR **ANIMALS**, **OUR PEOPLE** AND **CONSUMERS**, AND **OUR PLANET**

Broiler farm, New Zealand

SUSTAINABILITY REPORT

OUR APPROACH TO SUSTAINABILITY

AT INGHAM'S, WE KNOW IT'S IMPORTANT TO PROVIDE DELICIOUSLY GOOD FOOD IN THE BEST WAY, AND WE HAVE MADE IT OUR PURPOSE. WE STRIVE TO BE THE BEST BY ENSURING OUR BUSINESS AND OPERATIONS ARE GOOD FOR OUR ANIMALS, OUR PEOPLE AND CONSUMERS, AND PLANET.

To deliver this commitment, our sustainability strategy focuses on our most material topics. As the largest integrated poultry producer across Australia and New Zealand with a 100-year history and a business which relies on best practice farming, we are well positioned to make a positive difference by addressing sustainability challenges and opportunities.

Our sustainability roadmap guides the integration of sustainability into how we behave, think, act and measure success to drive sustainable change within our gate.

Our role in the food system

Broiler farm, Queensland

OUR ROADMAP

FLAGSHIP INITIATIVES

BEYOND OUR GATE

We will lead on global imperatives through partnerships and innovation; challenging the industry using our voice.

FAIRNESS FOR *Animals* AND PEOPLE

Ensuring welfare for animals and social inclusion, equality and justice for people as part of the global food systems.

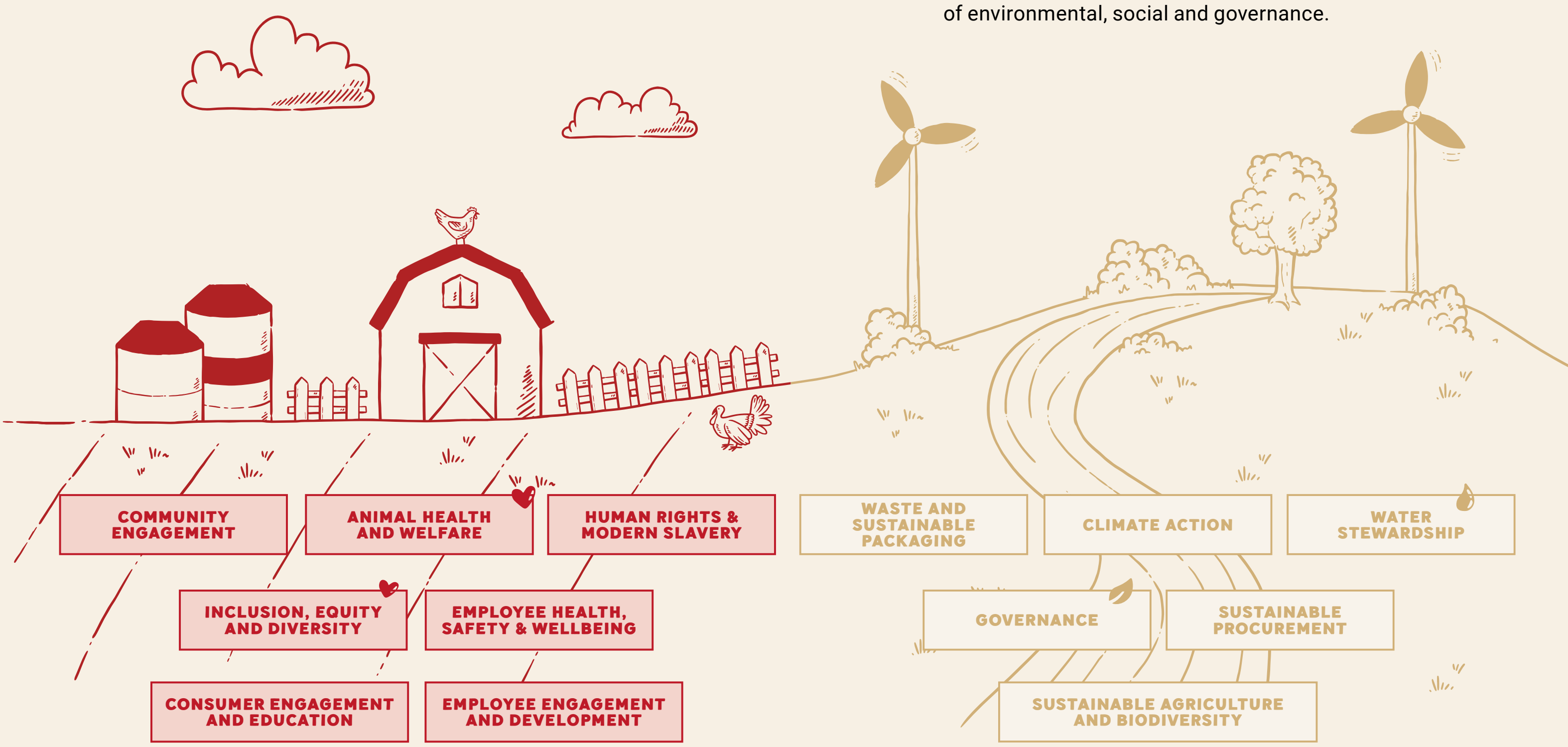
CLIMATE *Action* & PLANETARY HEALTH

Addressing climate risk and supporting a resilient global food system.

COMMITMENTS, REPORTING, AND ENGAGEMENT

WITHIN OUR GATE

We will proactively manage our material topics across the full spectrum of environmental, social and governance.



BEYOND OUR GATE

We are taking steps to lead beyond our gate and to partner, invest and explore the future of sustainable protein and food systems by:

1. Continuing to invest in our 2030 sustainability initiatives;
2. Establishing partnerships and collaborating with suppliers, customers and partners to develop sustainability solutions; and
3. Measuring the contribution of our sustainability initiatives to the relevant United Nations (UN) Sustainability Development Goals (SDGs) target.

WITHIN OUR GATE

Within our gate, we will focus our investment, resources and influence to achieve sustainable outcomes within our business. This includes:

1. Setting and publishing clear and science-based targets aligned with our material topics;
2. Measuring, tracking and improving performance year-on-year;
3. Integrating sustainability performance into key performance indicators (KPIs) and remuneration to embed accountability in roles across the business;
4. Empowering our people to act on sustainability goals in their roles; and
5. Reporting our progress to stakeholders.

Protein IN HEALTH

Addressing the growing consumption of protein and responsibility to provide healthy and nutritious food.

PRODUCT SAFETY

ECONOMIC PERFORMANCE

CONSUMER HEALTH AND NUTRITION

FY23 SUSTAINABILITY PERFORMANCE AT A GLANCE

OUR PEOPLE AND CONSUMERS

Reduced our total recordable injury frequency rate (TRIFR) by 7%.

Welcomed our first graduate from CareerTrackers, which connects Indigenous university students with employers to participate in paid, multi-year internships.

Launched our Sustainability Leadership Guide for Managers to empower our people to act on sustainability goals.

Contributed more than 935,000 equivalent meals through food donation programs.

Reduced customer complaints per million kilograms (CPmkg) by 21%.

Achieved A or AA GFSI BRC Food Safety Standard certification for 100% of sites.

OUR ANIMALS

All of our barn-raised and free-range broiler* farming facilities in Australia are certified by the RSPCA Approved Farming Scheme.

We are proud to be the first and only poultry producer in New Zealand to have all of our barn-raised and free-range broiler* farms SPCA Certified.

Sold 4,893 tonnes of net carbon zero certified chicken in New Zealand.

Engaged with a software and automation provider to measure animal welfare performance.

OUR PLANET

Submitted our science based targets (SBT) for greenhouse gas (GHG) emissions for SBTi validation[1]. Reduced absolute GHG emissions across Scope 1 and Scope 2[2] by 9.7%[3] vs FY22.

Diverted 86% of waste generated from landfill in FY23.

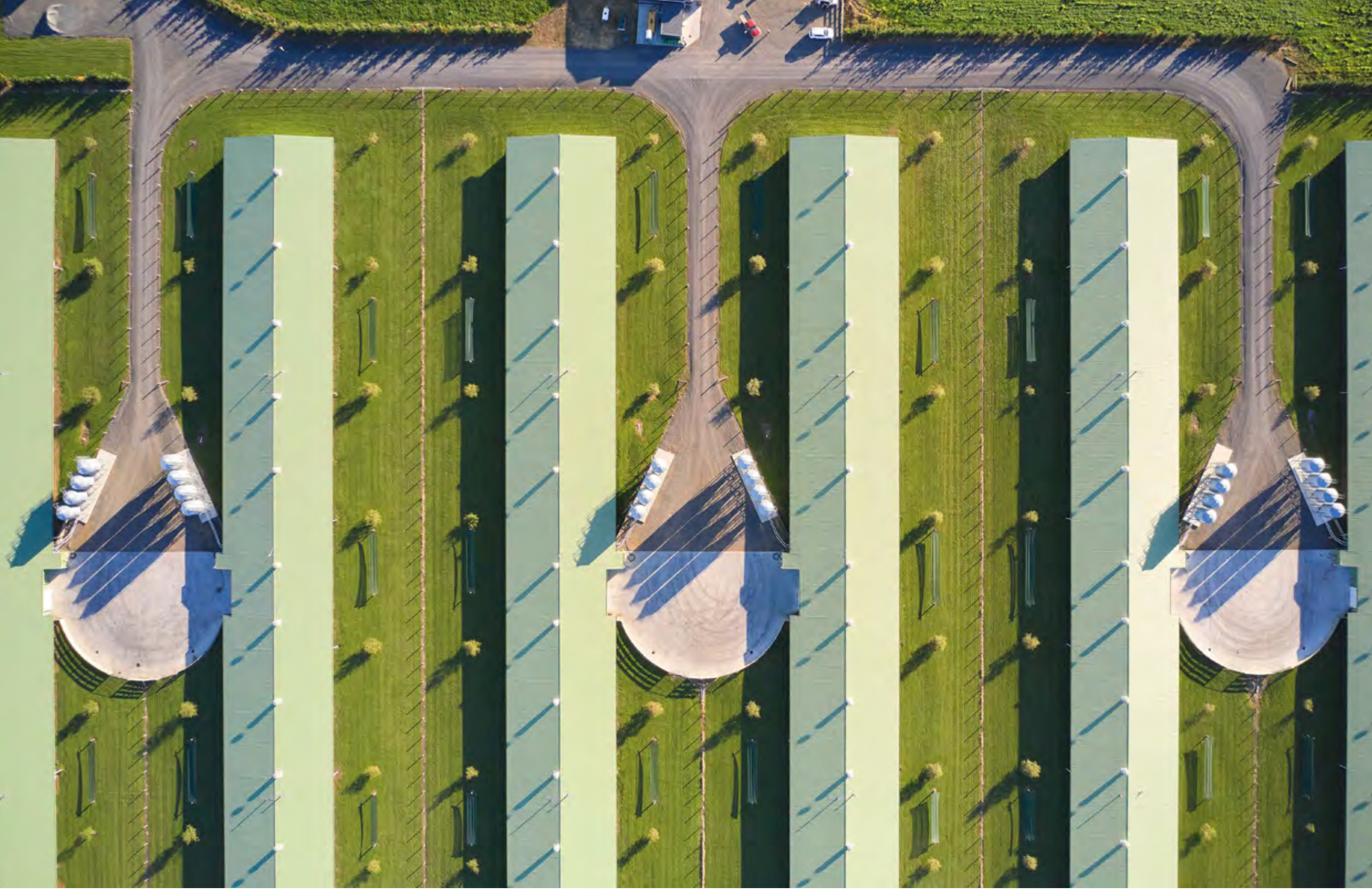
Achieved a 4 Star Green Star rating for our Distribution Centre in Truganina, Victoria and a 5 Star Green Star rating for our Distribution Centre in Essington, South Australia.

Received an $11 million federal government grant to invest in a landmark Tasmanian sustainability project.

Invested $15 million in a new wastewater treatment and recycling plant at our primary processing centre at Osborne Park, Western Australia.

Broiler farms nurture our animals bred for meat production.

1. *Following completion of our SBTi submission, we will establish appropriate and meaningful targets.*
2. *Scope 1 emissions are direct emissions from a facility. Scope 2 emissions are indirect emissions produced to generate the power used by a company.*
3. *As at 17 August 2023, we reported performance at 9.3%. Additional available data since that date has enabled us to update this figure as at 7 September.*



Broiler farm, New Zealand

INFORMING OUR APPROACH

Our approach continues to address the material topics as outlined in last year's Sustainability Report. These topics prioritise sustainability issues relevant to our business and stakeholders. They also align to the GRI's agriculture, aquaculture, and fishing sector standards. The Board and executive leadership team (ELT) of Ingham's have endorsed these material topics.

OUR MATERIAL TOPICS

1. **Governance**
2. **Climate action**
3. **Employee health, safety and wellbeing**
4. **Product safety**
5. **Animal health and welfare**
6. **Water stewardship**
7. **Sustainable agriculture and biodiversity**
8. **Waste and sustainable packaging**
9. **Inclusion, equity and diversity**
10. **Sustainable procurement**
11. **Employee engagement and development**
12. **Economic performance**
13. **Human rights and modern slavery**
14. **Consumer engagement and education**
15. **Community engagement**
16. **Consumer health and nutrition**

GOVERNING FOR SUSTAINABLE OUTCOMES

Our purpose and values align with our objective to deliver consistent and reliable returns to our stakeholders, and this is only possible when sustainability and climate change risks have been identified and mitigated.

Sustainability is core to our strategy, and we are embedding sustainable decision-making across our business. Ingham's Board and the Risk and Sustainability Committee (RSC) oversee sustainability and climate-related risks and opportunities. The RSC meets quarterly and is responsible for:

- Identifying and overseeing material and emerging risks at Ingham's, including economic, health, safety, quality, environmental, social, sustainability and governance risks;
- Reviewing and approving sustainability reporting; and
- Approving Ingham's sustainability roadmap and reviewing progress against 2030 targets and commitments.

More information on the RSC's charter, role and activities is available on Ingham's website.

Our sustainability governance framework outlines how we manage sustainability within our business to reduce risk and embed a culture of accountability led by the Board and empowered from within.

CODE OF CONDUCT AND ITS POLICIES[1]

BOARD

- Adheres to the Board charter
- Management and oversight
- Review of strategies, policies, performance and reporting
- Half yearly and annual shareholder reporting

People and Remuneration Committee (PRC), adhere to the PRC charter

Risk and Sustainability Committee (RSC), adhere to the RSC charter

Finance and Audit Committee (FAC), adhere to the FAC charter

EXECUTIVE LEADERSHIP TEAM (ELT)

- Align with Ingham's strategic objectives
- Sustainability strategy, target setting, measurement, monitoring and reporting
- Annual integrated reporting
- Quarterly ELT risk assurance and compliance committee meetings
- Quarterly sustainability updates to the Board RSC

FUNCTIONS AND OPERATIONS

- General Managers of operations and functions across Australia and New Zealand
- Strategy, measurement, monitoring and reporting
- Quarterly business unit and function risk assurance committee meetings
- Monthly sustainability KPI dashboard tabled to the ELT and the Board

SITE LEVEL SUSTAINABILITY TEAMS

- Focus areas: water, energy, waste, surface water, wastewater, noise, air and odour, and vegetation
- Implementation and coordination of strategies, policies and commitments
- Monthly internal KPI updates
- Environmental Management Plan aligned to ISO14001

1. *Policies include: Whistleblower Policy, Anti-Bribery and Anti-Corruption Policy, Continuous Disclosure Policy, Environmental Policy, Risk and Sustainability Policy and Inclusion, Equity and Diversity Policy.*

Broiler farm, Queensland

CLIMATE ACTION

INGHAM'S IS COMMITTED TO REDUCING GHG EMISSIONS GENERATED BY OUR OPERATIONS AND IN OUR SUPPLY CHAIN.

Together with our suppliers, we are working to mitigate the impacts of climate change and strengthen our climate resilience.

Our commitments

- Reduce Scope 1 and 2 absolute GHG emissions by 43% by 2030 against the FY19 baseline;
- Develop a Scope 3 GHG emissions target by 2030; and
- Source 75% green electricity by 2030.

Our FY23 performance

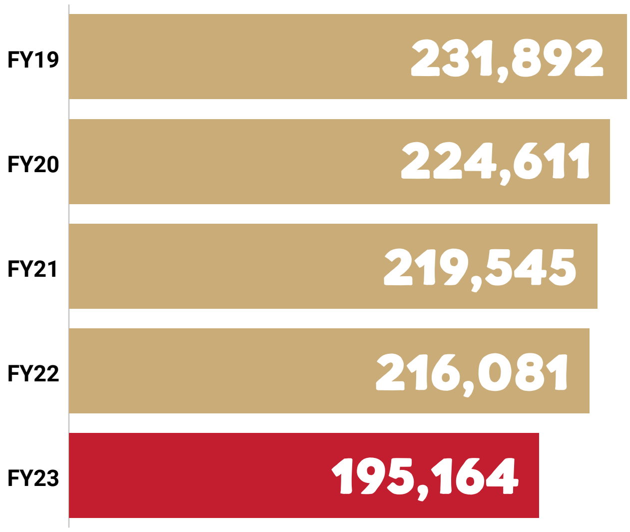
In March 2023, we submitted our SBT calculation to the SBTi for approval[1]. In FY23, we reduced our Scope 1 and Scope 2 GHG emissions against FY22 across all Ingham's operations by 9.7%.

Tracking and communicating our emissions

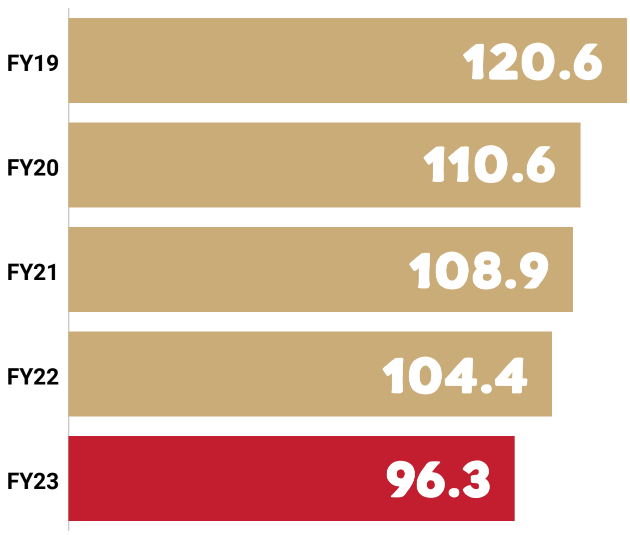
We track Scope 1 and 2 GHG emissions monthly and provide this data to site and operational management. We engage with our major customers on our GHG reduction targets and SBT progress.

Site environmental management plans support our sustainability actions and continuous improvement program, as we reduce emissions and improve site energy efficiency. For example, in FY23, we installed solar panels at two new distribution centres, Truganina in Victoria and Essington in South Australia.

Total Scope 1 and 2 GHG Emissions (T CO_2e)



Scope 1 and 2 GHG Emissions Intensity (kg CO_2e/T)



1. Following completion of our SBTi submission, we will establish appropriate and meaningful targets.

DELIVERY AGAINST THE TCFD RECOMMENDATIONS

As a leading protein producer in Australia and New Zealand, we value healthy ecosystems and strive to address climate risks. Our 2021 Sustainability Report outlined a three phase roadmap for climate-related financial disclosure. We are now in phase 2, with workshops to quantify and qualify current and future risks and opportunities. We have also evaluated the financial implications of extreme climate events on our assets against recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).

Broiler farm, Queensland

TCFD recommendations	Our updated approach
GOVERNANCE	
Board oversees climate-related risks and opportunities	No change. Board continues to oversee climate-related risks and opportunities. See our 2022 Sustainability Report for details.
Management assesses and manages climate related risks and opportunities	No change. Management continues to assess and manage climate-related risks and opportunities. See our 2022 Sustainability Report for details.
STRATEGY	
Identify climate-related risks and opportunities over the short, medium and long term	We continuously evaluate risks and opportunities while steadfastly advancing our phased approach to TCFD. See our 2021 Sustainability Report for details.
Determine impacts of climate related risks (opportunities and threats) on organisation's businesses, strategy and financial planning	We studied extreme climate events in Australia and New Zealand across 2019 to 2022, which included a review and impact on the business of major events such as bushfires and floods. By analysing financial data, we identified climate drivers with the biggest impact on the Company and isolated the financial effects of climate change. Workshops with stakeholders identified climate impacts of concern. A second workshop quantified findings and various costs, providing a baseline to assess the impacts of climate change.
Assess resilience of organisation's strategy, considering different climate scenarios, including two degrees scenario or lower	Climate risk assessment is a vital part of our corporate strategy, and is actively monitored and reviewed. In 2022, we conducted a scenario analysis to understand how future climate changes will affect our assets and operations (see our 2022 Sustainability Report). By measuring climate impacts against an established financial baseline, we have a benchmark for future progress and reporting.

TCFD recommendations	Our updated approach
RISK MANAGEMENT	
Implement processes for identifying and assessing climate related risks	There is no change to our processes for identifying and assessing climate-related risks. See our 2022 Sustainability Report for details.
Implement processes for managing climate related risks	There is no change to our processes for managing climate-related risks. See our 2022 Sustainability Report for details.
Integrate processes for identifying, assessing and managing climate related risks into the organisation's overall risk management	There is no change to the integration of climate-related risk management into our overall risk management. See our 2022 Sustainability Report for details.
METRICS AND TARGETS	
Develop metrics to assess climate related risks and opportunities in line with strategy and risk management process	There is no change to the metrics we use to assess climate related risks and opportunities in line with our strategy and risk management process. See our 2022 Sustainability Report for details.
Develop targets for Scope 1, 2 and 3 GHG emissions and related risks	In FY23, we developed and submitted our Company-wide GHG emission targets for Scope 1 and 2 to SBTi for validation.
Develop targets to manage climate related risks, opportunities and performance	No change to our targets to manage climate-related risks, opportunities and performance. See our 2022 Sustainability Report for details. More information is provided in the Climate Action section of this Report.

Further information on Ingham's risks and opportunities, including a list of the TCFD aligned opportunities we are exploring before 2030, can be found in Ingham's 2022 Sustainability Report.

Product development centre, New South Wales

EMPLOYEE HEALTH, SAFETY AND WELLBEING

We are committed to a goal of zero harm. At Ingham's, the safety of our teams, contractors, visitors and communities always comes first.

Our commitments

- Provide a safe and healthy work environment;
- Achieve at least 95% compliance with the Safety for Life program each year; and
- Reduce serious, recordable incidents by 5% year-on-year.

Our approach

We have an established work health and safety management system (WHSMS), which takes a systematic approach to identifying hazards, conducting risk assessments, and eliminating or controlling hazards for injury prevention and health preservation. This system meets regulatory requirements and compliance.

Our FY23 performance

We reduced our total recordable injury frequency rate (TRIFR) by 7% to 4.75. We also maintained our self-insurance licences following successful self-insurance audits for FY22, and completed an enforceable undertaking in New South Wales.

PRODUCT SAFETY

We are committed to ensuring world-class food safety and quality practices across food production, driven by continuous improvement.

Our commitments

- Achieve quality excellence in everything we do for our customers and consumers, our employees, external stakeholders and the community;
- Continually develop and implement food safety and quality systems, standards and procedures to produce safe, legal and authentic products;
- Deliver quality nutritional products to ensure food safety excellence:
  - Achieve an average of 90% completion across the business to the Product Pride Program;
  - Reduce customer complaints (CPmkg), on average, by 5% year-on-year; and
  - Achieve, on average, an A rating across our business against the Global Food Safety Initiative British Retail Consortium (BRC) annual audits.

Our Product Pride Program

Alongside Ingham's food safety and quality management system, our Product Pride Program provides the framework to deliver world-class food safety and quality as defined by the Global Food Safety Initiative (GFSI). The program addresses these pillars:

1. Risk reduction strategies;
2. Hazard analysis critical control point (HACCP);
3. Best practice support programs, such as good manufacturing practice (GMP);
4. Standards and procedures; and
5. Leadership, communication and learning.

Each pillar has clear leadership and responsibility with deliverables, timelines and measurable objectives. This year, we again achieved our target of on average 90% completion of the Product Pride Program across the business.

Audits and certifications

We audit the performance of Ingham's operations with internal and external auditors. This year, we achieved an A rating average against BRC across all sites.

Customer complaints

We have a target to reduce customer complaints (CPmkg) on average, by 5% year-on-year. Our team's ongoing commitment to quality and the implementation of the Product Pride program allowed us to exceed this target in FY23 by achieving a 21% reduction to 3.22 CPmkg.

ANIMAL HEALTH AND WELFARE

We monitor and protect the health and wellbeing of our animals through leading animal welfare practices and adopting technological innovation.

Our commitments

- Protect animal welfare through accountable leadership and innovation;
- Use antibiotics responsibly, including only where clinically indicated and where not using them would compromise animal welfare;
- Ensure animals are not subject to any genetic modification or cloning;
- Avoid the close confinement of our animals by providing adequate space to enable the expression of natural behaviours;
- Provide an enriched environment to allow birds to express their natural behaviours;
- Ensure the transport of all live animals is kept to a minimum and, wherever possible, does not exceed eight hours;
- Avoid routine physical alterations to farms unless required to support animal welfare;
- Ensure all animals within our supply chains are subject to pre-slaughter stunning; and
- Transparently report independent animal welfare audits in our farming and processing operations.

Our approach

We have a moral and ethical obligation to ensure the welfare of our animals is protected. We uphold high standards to meet the expectations of our customers, consumers, investors and employees. Our animal welfare and antibiotic stewardship policies outline our commitments to protect and enhance animal welfare.

Our Animal Welfare Council oversees results of our key welfare indicators (KWI) against targets, and identifies projects and research initiatives that will foster continuous improvement in animal welfare. Led by our General Manager of Veterinary Health and Welfare, with involvement of two Executive Leadership team members, the Council is attended by subject matter experts across our farming, operations, veterinary and nutritional teams. The Council convenes quarterly and provides regular oversight of animal welfare performance, research and technology, animal welfare projects, strategy and customer insight across Australia and New Zealand.

We have a team of animal welfare specialists embedded in our operations, including our Company veterinarians who oversee animal welfare across farming and processing operations, and externally trained poultry welfare officers at every primary processing site.

Our FY23 performance

Ingham's is proud to be the first and only poultry producer in New Zealand to have all of its barn-raised and free-range broiler farms* SPCA Certified. This was achieved by adopting SPCA Barn Raised standard, which includes providing enrichment and increasing the space available. We are proud that all of our barn-raised and free-range broiler* farming facilities in Australia are certified by the RSPCA Approved Farming Scheme.

* *Broiler farms nurture our animals bred for meat production.*

Broiler farm, Queensland

WATER STEWARDSHIP

Water is essential to processing poultry. From ensuring the optimum health of our birds, to achieving the highest hygiene standards in our food processing, cleaning and sanitation.

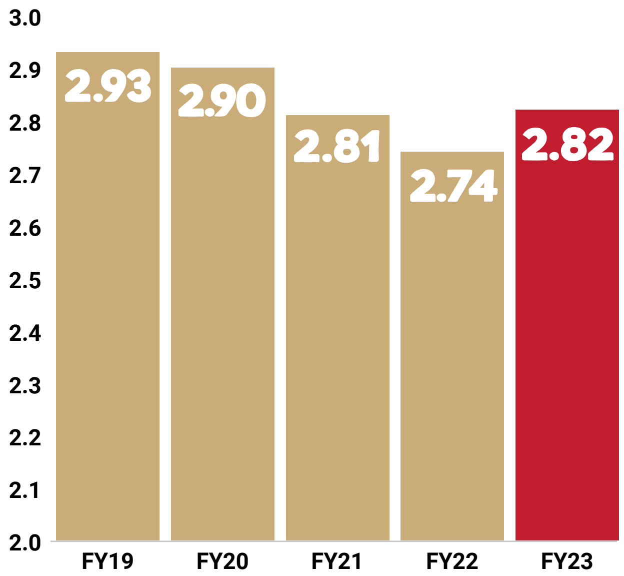
Our commitments

- Reduce the water intensity needed to process our products by 20% by 2030 against an FY19 baseline.

Our FY23 performance

This graph illustrates water intensity (kilolitres per tonne of product (kL/T)) performance across all Ingham's operations.

Water Intensity (kL/T)



Managing our water use

Responsible water management is essential for Ingham's and the communities where we operate. We measure water usage, both absolute volumes and intensity, and monitor usage at site, by business unit and Company-wide. Water usage at sites is benchmarked, and annual targets set, to align with the Company's 2030 target to reduce water usage by 20% from the 2019 baseline. Our FY23 water intensity (kL/T) was negatively impacted by the reduced product tonnes due to the closure of our Wanneroo feedmill as well as operational impacts at our South Australian and New Zealand primary processing centres. We have addressed the operational issues.

In December 2022, Ingham's started construction of a new water recycling and treatment plant at our Osborne Park primary processing facility in Western Australia. The new plant improves the sustainability of our operations with the more modern and expanded plant efficiently treating water and reducing odour emissions. Additionally, the recycling water system is expected to reduce incoming water supply by up to 40%. Commissioning and handover of the plant is expected to be complete by the end of 2023.

Wastewater and effluent disposal

Through Ingham's environmental management system (EMS) and adherence to trade waste agreements, we prevent contamination of local environment and ensure responsible effluent management at our sites. Some sites have treatment facilities which remove contaminant loading before discharging it to municipal facilities or directly into the environment under strict regulations and monitoring.

OSBORNE PARK PRIMARY PROCESSING FACILITY

Water recycling and treatment plant, Primary processing facility, Western Australia

Water savings AT SOMERVILLE

SOMERVILLE, INGHAM'S FOURTH LARGEST WATER-USING SITE, **HAS SUCCESSFULLY REDUCED ITS WATER USAGE DURING THE PAST YEAR.** THE TEAM MEASURES AND ASSESSES WATER USAGE WEEKLY, WHICH IS DISCUSSED AT REGULAR SUSTAINABILITY TEAM MEETINGS.

WATER USAGE REDUCED BY

11%

COMPARED TO THE PREVIOUS FINANCIAL YEAR

Since July 2022, the team has increased awareness of the importance of reducing water usage to the wider team via toolbox talks. The use of the AZZO monitoring system provides daily diagnostics on water usage for specific areas and equipment. Since increasing awareness, the team has implemented a range of water-saving initiatives, including:

- Installing aeration in spin chillers to increase water flow without using additional water;
- Recapturing and recycling water previously lost through the live bird and evisceration processes;
- Shutting off the water on key equipment during breaks; and
- Automating the trailer wash system to optimise and control water usage.

Daily site inspections by the environmental team help to monitor and mitigate any water leaks, and the production and maintenance teams work closely with the quality team to ensure reduced water usage never compromises the product quality.

Since July 2022, these initiatives have reduced Somerville's water usage by 11% compared to the previous financial year.

Feedmill, South Australia

SUSTAINABLE AGRICULTURE AND BIODIVERSITY

Fostering biodiversity and implementing sustainable agriculture practices are foundational to supporting a healthy, regenerative environment.

Our commitments

- Continue to employ sustainable agriculture and procurement practices by researching alternate protein meals with lower GHG emission potential.

Our FY23 performance

We continued to participate in activities sponsored by the Sustainable Agriculture Initiative (SAI), including a workshop to learn more about regenerative agricultural practices and carbon sequestration in soils. We also partnered with an Australian university to continue our research into alternative feed materials for soy meal.

Protecting ecosystem health

We are working to better understand and mitigate our impact on the environment by continuously improving our practices. This includes:

- Projects to preserve biodiversity at our sites, including supporting regeneration of wetlands, planting of native trees, and assessing the feasibility of restoring native forests across our sites to act as carbon sinks;
- Researching alternative raw feed materials with a lower environmental and biodiversity impact than current soy meal feed products;
- Monitoring soil health at sites where treated poultry processing wastewater is irrigated to adjacent land; and
- Limiting the use of pesticides through partnership with qualified pest control services.

Primary processing facility, Queensland

WASTE

Our commitment to climate action includes responsible waste management, including minimising waste to landfill, eliminating food waste, and increasing recycling opportunities across our supply chain.

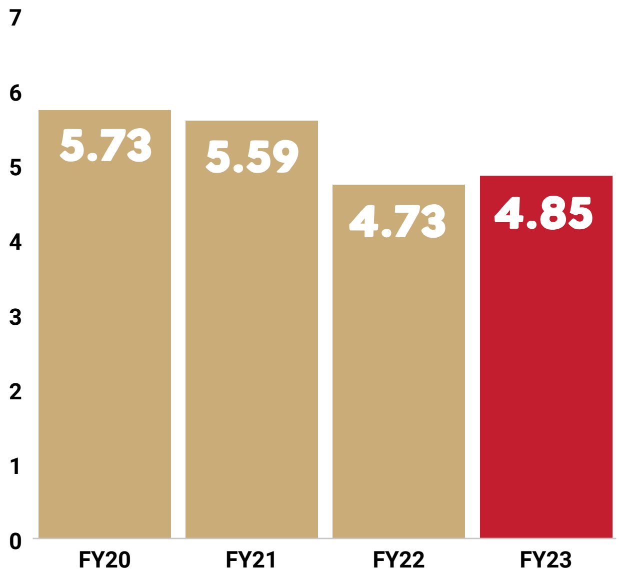
Our commitments

- Reduce waste sent to landfill intensity (kg/T) by 20% by 2030 against an FY20 baseline.

Our FY23 performance

This graph illustrates landfill waste intensity (kilogram per tonne of product (kg/T)) across all Ingham's operations.

Ingham's Group Landfill Waste Intensity



Monitoring and managing waste

Ingham's has a robust internal monitoring system to manage and reduce our waste. The volume and rate at which waste is generated is monitored by site and Company-wide. Each site sets an annual target for landfill waste, which is monitored via Ingham's Planet reporting database. The tracking is updated and published monthly. Additionally, waste service providers provide monthly data on waste collected via a web-based portal, which generates site KPIs on Ingham's Planet reporting database. Our FY23 landfill waste intensity (kg/T) was negatively impacted by the reduced product tonnes due to the closure of our Wanneroo feedmill. Not including Wanneroo feedmill, absolute waste reduction was achieved.

Fighting food waste by supporting food security

Ensuring the food we produce does not go to waste is a priority from both a sustainability and a business perspective. We take great pride in the positive impact our products have in the lives of our consumers, providing a high-quality protein source to support a healthy lifestyle. As the most affordable land-based animal protein, we support food security through our product offerings and our waste-minimising efforts as an organisation.

Products we cannot sell, but are still consumable, are donated to food rescue charities in Australia and New Zealand. In FY23, we donated 519 tonnes (935,000 equivalent meals) to Foodbank Australia and 30 tonnes (54,000 equivalent meals) in New Zealand to various organisations.

SUSTAINABLE PACKAGING

We are working to balance the priorities of safe and secure food distribution and environmentally responsible materials used in our packaging.

Our commitments

- 100% reusable, recyclable or compostable packaging by 2025; and
- 50% average recycled content included in packaging by 2025.

Our FY23 performance

- >87% reusable, recyclable or compostable packaging; and
- >40% recycled content in packaging.

Choosing the right material for the job

We ensure our product packaging has minimal impact on the environment by using recycled content where possible, using recyclable materials, eliminating unnecessary packaging, and ensuring packaging is adequate to protect the product during handling and its shelf life. We also include disposal instructions on our packaging to maximise recycling.

MORE THAN 87% REUSABLE, RECYCLABLE OR COMPOSTABLE PACKAGING

MORE THAN 40% RECYCLED CONTENT IN PACKAGING

INCLUSION, EQUITY AND DIVERSITY

We aim to provide a safe, inclusive and supportive workplace where people of all social, cultural, sexual and disability statuses are welcomed, and all voices are heard.

Our commitments

- Promote an inclusive and diverse environment through our inclusion, equity and diversity framework; and
- Have women in at least 40% of leadership roles by 2030.

Our approach

Our inclusion, equity and diversity framework aims to accelerate and develop a more inclusive and diverse workplace.

Organisation

A strong foundation for building an inclusive workplace starts with providing training and education to our leaders and employees. This year we implemented days of recognition to empower site leaders to organise events and celebrate occasions such as Lunar New Year, WorldPride 2023, International Women's Day, National Reconciliation Week and Matariki Day. In FY23, 74% of sites acknowledged at least one day of recognition.

In New Zealand, Manaaki Month celebrates diversity and inclusion. Manaaki is an abbreviation of Manaakitanga, meaning to welcome, love and support. With a focus on gender and cultural diversity, during May we held anti-bullying events and site leaders facilitated activities around cultural diversity including food, videos and discussions.

First Nations

We are growing our partnerships with First Nations communities and suppliers across Australia and New Zealand. Our Reconciliation Action Plan (RAP) has been submitted to Reconciliation Australia and has received conditional endorsement.

In June, we welcomed our first graduate from the CareerTrackers program, which connects Indigenous university students with employers to participate in paid, multi-year internships.

74%

OF SITES ACKNOWLEDGED AT LEAST ONE DAY OF RECOGNITION

Gender

We are committed to zero gender salary discrimination and increasing the number of women in leadership positions. This year, site leaders celebrated International Women's Day with their teams, and Company-wide recognition occurred via a town hall session featuring women leaders. In FY23, 41% of all sites acknowledged International Women's Day via Workplace, our internal communications platform.

We continue to improve gender representation in leadership across our organisation. During FY23, 38% of all manager promotions were women. Women comprised more than 40% of our Board, 14% of our ELT, and 34% of our senior leadership team.

LGBTQ+

We are committed to using gender-neutral language in our policies and educating our people on using pronouns. This year, we became a member of the AIDS Council of NSW (ACON), which is supporting us with training programs and a review of policies to ensure we implement inclusive and affirming practices for people from sexuality – and gender-diverse communities. Our People and Performance team also attended an LGBTQ+ awareness session about inclusive recruitment and attrition considerations.

Ethnicity

We want team members of all ethnicities to celebrate their culture at work. This year, 74% of sites acknowledged one ethnicity or cultural day of recognition via Workplace. In New Zealand, 83% of sites recognised at least one event for Manaaki Month, Matariki or Māori Language Week.

INTERNATIONAL WOMEN'S DAY

INGHAM'S IS WORKING TO IMPLEMENT PROCUREMENT SPEND SYSTEMS THAT WILL SUPPORT OUR SUPPLIER MANAGEMENT PROGRAM.

Hatchery, Victoria

SUSTAINABLE PROCUREMENT

Sustainable procurement is a collaborative effort, and we're working with our suppliers to monitor and support environmental and social sustainability commitments.

Our commitments

- From FY24, new vendors and existing suppliers with spend greater than $250,000 per annum will need to sign the Ingham's Supplier Code of Conduct by 2030.

Our FY23 performance

Our sustainable procurement commitment has changed from what was presented in our 2022 Annual Report due to the postponement of our Business Transformation Program. Ingham's has approved the implementation of procurement spend systems that will support our supplier management program.

During FY23, we completed the following initiatives:

- Evaluated Ingham's supplier risk profile using the Interos platform;
- Included the Modern Slavery Supplier Commitments and Ingham's Supplier Code of Conduct in our Supplier Business Reviews for the Packaging and Ingredient categories; and
- Developed a supplier questionnaire to capture supplier's information related to their modern slavery risks, policies and processes.

EMPLOYEE ENGAGEMENT AND DEVELOPMENT

We strive to be a leading employer and support the growth of our people by providing a constructive and inclusive culture and prioritising training and development opportunities.

Our commitments

- Provide practical benefits and flexible arrangements;
- Develop highly engaged teams with year-on-year reductions in turnover;
- Deliver leadership development programs and development support at all levels;
- Continue to engage with our people via regular surveys and focus groups to seek feedback and identify areas for improvement; and
- Support internal development with a target to fill three out of four leader roles with internal candidates.

Building a constructive culture

Fostering an open, supportive, constructive and inclusive high-performing company culture requires leadership from the top. Our Executive Leadership Team (ELT) effectiveness program enables our leaders to role model desired behaviours and lead by example. In December, each ELT member completed a leadership impact assessment to build self-awareness around their personal leadership style and learn how to create an environment to allow others to thrive. The program also includes workshops, coaching and robust individual development plans incorporating diagnostic results and personality assessments. The program has achieved positive results with the expansion of constructive leadership styles since the previous survey.

Other development programs include the Thrive senior leaders program, senior leadership team summit, Grow frontline leaders program, and our personal development programs – Connect in Australia and Homegrown in New Zealand.

Embedding sustainability leadership

This year, we launched our Sustainability Leadership Guide for Managers to empower our people to contribute to achieving our 2030 sustainability roadmap. The guide outlines our strategy and makes sustainability actionable for our people. It contains five actions managers can take to help embed sustainability in the organisation, by understanding where teams can contribute and build this into the every day.

Strengthening our employee value proposition

To respond to changes in matters of importance to people following the COVID-19 pandemic, this year we refreshed our employee value proposition (EVP) to remain a place where people love to work. All employees were invited to focus groups to discuss attraction and retention at Ingham's. Working with an external partner, 12 focus groups were conducted with representation from multiple sites, plus interviews with senior leaders and ELT members. The focus groups identified several common themes, such as the importance of being recognised and valued as an individual. Our refreshed EVP is being rolled out through updated internal and external materials including an EVP video.

SENIOR LEADERSHIP TEAM SUMMIT

Distribution centre, South Australia

HUMAN RIGHTS AND MODERN SLAVERY

We aim to prevent harm to people by identifying and mitigating human rights risks in our business and supply chain. We comply with all relevant regulations and standards.

Our commitments

- Identify, mitigate and report on human rights and modern slavery risks by conducting due diligence on high risk suppliers.

Our approach

We are committed to preventing all forms of slavery, exploitation and human trafficking in our direct and indirect supply chains. To achieve this, we assess the risks of modern slavery, safeguard our workforce, and monitor our supply chains against any actual or potential criminal and inhumane treatment of people in their employment.

We assess the risk of modern slavery in our operations to be low. All our functions are located in Australia and New Zealand, and most of our people are directly employed by Ingham's.

To manage risk in the supply chain, we are a Sedex (Supplier Ethical Data Exchange) member and share information on our performance with customers. Our standard supply contract includes a clause about modern slavery expectations. We assess risks in our supply chain based on a heat map of geographical and sector risks. Our Modern Slavery Statement outlines the steps we have taken, and is available on our website.

Internal audits

Ingham's participates in Sedex's SMETA audits at our primary and further processing sites to better understand standards of labour, health and safety, environmental performance, and ethics at our sites.

We also audited on behalf of our customers, such as Coles and McDonald's. These audits revealed minor non-conformances with record keeping, particularly in relation to long serving (10+ years) employees. These issues have since been rectified. The audits did not report any negative findings about worker entitlements, worker conditions, visas, migration status or other matters pertaining to modern slavery.

Supplier audits

We use proactive compliance audits to verify the performance and standards of our suppliers.

This year, we engaged an independent third party to audit two of our largest labour hire providers.

Our external legal partners conducted audits to ensure compliance with employment law and social accountability. The audits covered 90 workers and reviewed pay rates and visa status. All workers were found to be eligible to work in Australia and, where applicable, were working in accordance with any visa parameters. Minor non-conformances were identified with respect to pay, and these have since been rectified. There were no identified instances of modern slavery.

Freedom of association and collective bargaining

Ingham's has 32 enterprise agreements (EA) in Australia and five in New Zealand, covering most of our operations. Of the agreements, all five in New Zealand and 29 in Australia have one or more unions attached as a party to the agreement. Employees have the freedom to join, or not join, a union. Where an employee elects to do so, employees may request payment of fees as a payroll deduction for union membership.

Living income and living wage

Employees are engaged on the industry award relevant to their occupation, or an EA. Hourly rates are reviewed during the annual wage review process (for employees covered by an award), or on the anniversary of the relevant EA. The pay rates in awards are fixed by the Fair Work Commission (FWC), and those in EAs are reviewed by the FWC on lodgement to ensure they are better than the relevant reference award, which would apply in the absence of the EA.

CONSUMER ENGAGEMENT AND EDUCATION

We want consumers to know they are making sustainable and responsible choices when they choose Ingham's.

Our commitments

- Educate and engage our customers to help them make sustainable and responsible choices.

Our FY23 performance

While chicken is a popular protein, myths around poultry farming continue to circulate. In 2023, we set out to address common misconceptions and showcase our commitments to animal welfare and sustainability through a TV, digital, print and radio campaign. Visit our company YouTube channel to view our 'Always Good' content series. (https://www.youtube.com/@Inghamschicken/videos).

Always Good

TV, DIGITAL, PRINT AND RADIO CAMPAIGN

Broiler farm, Victoria

COMMUNITY ENGAGEMENT

We engage with our local communities by donating to and sponsoring organisations aligned with our goal to positively impact people, animals and the planet.

Our commitments

- Develop partnerships with organisations to support our people, animals and planet; and
- Develop programs and initiatives to connect and positively impact our local communities.

RONALD MCDONALD HOUSE CHARITIES

Our FY23 performance

We have supported numerous initiatives and organisations during FY23, including:

- **Woolies Wheels and Walks Tour de Cure**: Ingham's was a diamond sponsor of the 2023 event, with an Ingham's team walking 21 kilometres and raising more than $8,000 for cancer research, support, and prevention projects.
- **Foodbanks**: We continued our national partnership with Foodbank Australia in FY23 providing more than 935,000 equivalent meals to support people nationwide. In New Zealand, we donated 30 tonnes of product to food rescue and distribution charities operating in our local communities.
- **Ingham Institute for Applied Medical Research**: We continued financial support of $150,000 per year to the Ingham Institute for Applied Medical Research as part of our three-year agreement. The Ingham Institute funds and leads world-class medical research to treat people living with common medical conditions and diseases, including cancer, rehabilitation, and mental health.
- **Disaster relief**: In response to the devastation of recent earthquakes in Turkey and Syria, we contributed $10,000 to the Emergency Action Alliance as a gesture of solidarity and care to the families from Turkey and Syria in our workforce. The Alliance is a group of 15 Australian aid organisations who work together overseas after disasters.
- **Ronald McDonald House Charities**: Ingham's donated $60,000 to Ronald McDonald House Charities in Australia, which provides a home-away-from-home for seriously ill children and their families while they receive the care they need in the hospital. This national partnership commenced in January 2022.
- **National Institute of Dramatic Art (NIDA) First Nations Scholarship**: The $30,000 scholarship is open to a First Nations student in the Master of Fine Arts writing or directing degree. It includes the opportunity for a paid internship at the completion of their course. Ingham's believes advancing reconciliation for First Nations peoples means they must have access to increased representation in the arts.

INGHAM'S DONATED

$60,000

TO RONALD MCDONALD HOUSE CHARITIES IN AUSTRALIA

CONSUMER HEALTH AND NUTRITION

We actively identify opportunities to improve the health and sustainability of our products.

Our commitments

- Develop products to achieve a minimum 10% reduction in fat and sodium contents by 2030.

Our FY23 performance

Ingham's continues to reduce the amount of salt and fat across a range of products. We proactively source ingredients to meet targeted requirements for health star ratings across Ingham's and customer-branded products in line with consumer health requirements.

We developed and launched a range of branded initiatives under the air fried platform – branded AirMazing™ – to remove par fry requirements, which reduced fat across comparable products. This was reflected in nutritional panels.

WE PROACTIVELY SOURCE INGREDIENTS TO MEET TARGETED REQUIREMENTS FOR HEALTH STAR RATINGS.

-10%

COMMITMENT TO DEVELOP PRODUCTS TO REDUCE FAT AND SODIUM CONTENT

BOARD OF DIRECTORS

HELEN NASH

Chair

Bachelor of Arts (Hons), Graduate of the Australian Institute of Company Directors Chair of the Board of Directors, Chair of the Nominations Committee

Helen started her career in finance with the Certified Institute of Management Accountancy. On completion of these professional exams, she transitioned to a marketing career spanning more than 20 years and three industries: consumer packaged goods, publishing and media, and quick service restaurants. She was Senior Vice President and Chief Marketing Officer for McDonald's Australia and New Zealand, before taking on further strategic, commercial and operational responsibility for the business as Chief Operating Officer for McDonald's Australia. Helen is currently an independent Non-Executive Director of Metcash Limited and Southern Cross Media Limited. She was formerly a Non-Executive Director of Blackmores Limited and Pacific Brands Limited.

ANDREW REEVES

Chief Executive Officer and Managing Director

Bachelor of Arts (Economics), Advanced Management Program – Harvard Business School

Andrew was appointed Chief Executive Officer and Managing Director of Ingham's on 29 March 2021. He has more than 40 years' experience in leadership and governance roles across the food and beverage and agribusiness industries in Australia and internationally. From 2019 to 2021, Andrew was a Non-Executive Director on the Inghams Group Limited Board of Directors, and a member of the Finance and Audit Committee and the Risk and Sustainability Committee. He was previously the Chief Executive Officer of George Weston Foods, Managing Director and Executive Director of Lion Nathan Limited, Managing Director Australia of Coca-Cola Amatil Limited, and Managing Director of The Smith's Snack Food Company.

ROB GORDON

Non-Executive Director

Bachelor of Science (Honours), Chartered Engineer, Member of the Australian Institute of Company Directors

Member of the Finance and Audit Committee, Member of the Risk and Sustainability Committee, and Member of the Nominations Committee

Rob has 40 years' experience in the FMCG and agribusiness sectors. This includes more than 25 years in chief executive officer and managing director roles for companies including Dairy Farmers Limited, Goodman Fielder Limited (Meadow Lea and consumer goods divisions) and Viterra Inc. Rob recently retired as Chief Executive Officer of RiceGrowers Limited and associated entities but remains a member of the Rabobank Agribusiness Advisory Board. He has also served as a Non-Executive Deputy Chair of the Australian Food and Grocery Council and as a Member of Gresham Private Equity Advisory Board.

MARGARET HASELTINE

Non-Executive Director

Bachelor of Arts, Secondary Teachers Diploma, Fellow of the Australian Institute of Company Directors

Member of the Nominations Committee and Member of the Risk & Sustainability Committee

Margaret ('Margie') has more than 30 years of relevant business experience across supply chains and logistics, product and brand, strategy, risk, change management and governance from a range of sectors including FMCG. Her executive career includes 20 years within the Mars Inc. group, including five years as Chief Executive Officer of Mars Food Australia (formerly Master Foods Australia New Zealand). Margie currently serves as Non-Executive Director of Metcash Limited, Chair and Non-Executive Director of Bapcor Limited and is a Non-Executive Director of Tye Soon Limited which is 25% owned by Bapcor. She has also been a director of various government and not-for-profit boards, including National Food Precinct, Central Coast Grammar school and AGRIFOOD Skills.

* *Appointed 1 September 2023.*

MICHAEL IHLEIN

Non-Executive Director

Bachelor of Business (Accounting), Fellow of the Australian Institute of Company Directors, Fellow of Certified Practising Accountants, Fellow of the Financial Services Institute of Australasia, Member of the Financial Executives Institute of Australia

Chair of the Finance and Audit Committee, Member of the People and Remuneration Committee, and Member of the Nominations Committee

Michael ('Mike') has significant experience across FMCG, supply chain and logistics companies. He has held senior roles at Coca-Cola Amatil Limited, including Executive Director and Chief Financial Officer, as well as Managing Director, Coca-Cola Amatil Poland.

Subsequently, he was Executive Director and Chief Financial Officer at Brambles Limited prior to becoming Chief Executive Officer until his retirement. Mike also serves on the boards of Ampol Limited, Scentre Group Limited and the not-for-profit mentoring organisation Kilfinan Australia. He was formerly a Non-Executive Director of CSR Limited.

TIMOTHY LONGSTAFF

Non-Executive Director

Bachelor of Economics, Fellow of the Institute of Chartered Accountants in Australia and New Zealand, Senior Fellow of the Financial Services Institute of Australia, and Graduate of the Australian Institute of Company Directors

Chair of the People and Remuneration Committee, Member of the Finance and Audit Committee, Member of the Nominations Committee

A Chartered Accountant, Timothy ('Tim') had a 25-year career in investment banking, with many years in Managing Director and senior executive roles at top-tier global investment banking firms, where he advised the Boards and CEOs of leading Australian and international companies on transformational strategic mergers and acquisitions, and capital markets transactions. More recently, Tim served as Senior Advisor to a Federal Cabinet Minister in the Trade and Investment and Finance portfolios. Tim is also a non-executive Director of Perenti Global, The George Institute for Global Health, Snowy Hydro Limited and Aurizon Holdings Limited. He is a Member of Takeovers Panel.

BOARD OF DIRECTORS CONTINUED

JACKIE MCARTHUR

Non-Executive Director

Bachelor of Engineering (Aeronautical)

Chair of the Risk and Sustainability Committee, Member of the People and Remuneration Committee, and Member of the Nominations Committee

Jackie has more than 20 years' experience in supply chain and logistics roles globally, most recently as Managing Director ANZ for the Martin Brower Company, a global logistics solutions provider for quick service restaurants. Prior to that, Jackie was Vice President Supply Chain for McDonald's in Asia, Pacific, Middle East, and Africa having also held roles in McDonald's Australia as Senior Vice President Chief Restaurant Support Officer and Vice President Supply Chain Director.
Jackie is an independent Non-Executive Director on the boards of Qube Holdings Limited and Cleanaway Limited.
She was formerly a Non-Executive Director of InvoCare Limited, Tassal Group Limited and Blackmores Limited.

LINDA BARDO NICHOLLS AO

Non-Executive Director

Bachelor of Arts (Economics), Master of Business Administration, Life Fellow of the Australian Institute of Company Directors

Member of the Finance and Audit Committee, Member of the People and Remuneration Committee, Member of the Risk and Sustainability Committee, and Member of the Nominations Committee

Linda has more than 30 years' experience as a senior executive, director and chair of ASX-listed companies and Government business enterprises. She has experience working in heavily regulated industries, including financial services and health care, across Australia and New Zealand. Linda is Chair of Royal Melbourne Hospital and a Director of Museums Victoria and Medibank Private.
She was previously Chair of Japara Healthcare, Healthscope, and Keolis Downer (trading as Yarra Trams), and a Director of ASX-listed companies including Fairfax Media and Pacific Brands.

SENIOR MANAGEMENT

GARY MALLETT

Chief Financial Officer

Chartered Accountant,
Bachelor of Business (Accounting).

Gary joined Ingham's in 2019. He is responsible for the Company's financial management and reporting, treasury, investor relations, company secretarial and legal, risk management, procurement, property management, mergers and acquisitions, and information technology.

Gary has more than 30 years' experience in various senior finance roles with ASX-listed companies, including Brambles Limited and Origin Energy Limited. Before joining Ingham's, he was Chief Financial Officer at Senex Energy Limited. He also serves as a Director on several Inghams Group Limited subsidiary companies.

EDWARD ALEXANDER

Chief Executive, New Zealand

Bachelor of Commerce
(Economics, Finance)

Edward ('Ed') joined Ingham's in 2015. He is responsible for leading the New Zealand business across all operations, sales, marketing and support services. He previously held the position of Chief Strategy Officer in 2020, before being appointed Chief Executive, New Zealand in June 2022.

Ed's experience in the Company includes sales, strategy, integrated business planning, mergers and acquisitions and commercial optimisation. He has more than 15 years' experience in corporate strategy, change management, sales and operations planning through his previous positions at Aon Risk Solutions and Ernst & Young.

SEB BRANDT

Chief Strategy and Planning Officer

Bachelor of Economics
(Marketing, Business Statistics)

Seb joined Ingham's in 2019. He works across Australia and New Zealand to deliver our strategy and grow the business by executing the company's annual operating plan and leading innovative product breakthroughs based on strategic consumer data research. He was Chief Marketing Officer from 2019, before being appointed to the new role of Chief Strategy and Planning Officer in March 2023.

Seb has more than 20 years of strategic marketing and brand building experience in the food and beverage, quick service restaurant and retail categories, having previously worked at Carlton & United Breweries, McDonald's, PepsiCo and Red Bull. His skills and passion lie in creating new business and winning new consumers via innovation, brand building, entering new categories and instilling an innovation mindset at all levels of the organisation.

SENIOR MANAGEMENT CONTINUED

GRANT KERSWELL

Chief People Officer

Bachelor of Business (Human Resource Management), Master of Business Administration

Grant joined Ingham's in 2019. He provides strategic advice and support in the areas of people, culture and communications. This includes organisational and capability development, safety and wellbeing, remuneration, workplace relations and people systems.

Grant has more than 25 years' leadership experience in the human resources function from previous senior roles at organisations including Arnott's Limited, Broadspectrum, Coca-Cola Amatil and the Seven Network.

ANNE-MARIE MOONEY

Chief Operations Officer

Bachelor of Commerce, Graduate of the Australian Institute of Company Directors

Anne-Marie joined Ingham's in 2018 and was appointed Chief Operations Officer in March 2022. She is responsible for all aspects of Ingham's Australian chicken and turkey operations, including farming, feedmill, processing and distribution. She is also the executive lead for sustainability, animal welfare and veterinary services.

Anne-Marie's experience in the Company includes executive responsibility for agricultural operations and commodity procurement for Australia and New Zealand. She has more than 25 years' experience across the energy and agricultural sectors in roles spanning risk, strategy, transformation, commercial sales and operations. She is also an experienced senior executive with prior positions at Eraring Energy and Ridley Corporation Ltd.

MARK POWELL

Chief Customer Officer

Bachelor of Commerce, Master of Business Administration, Chartered Accountant, Graduate of the Australian Institute of Company Directors

Mark joined Ingham's in 2021. He is responsible for managing our customer relationships, strategic marketing and new product execution.

Mark has more than 25 years' experience in the FMCG industry. In previous roles, he led cultural change to build high performing teams, achieved consistent sales, share and profit growth and developed and executed strategic plans. Before joining Ingham's, Mark held senior leadership roles with Coca-Cola Amatil, Lion Nathan and PricewaterhouseCoopers.

CORPORATE GOVERNANCE STATEMENT

This statement summarises the Corporate Governance framework, policies and practices of Inghams Group Limited (ACN 162 709 506) ('Ingham's' or 'the Company') for the financial year ended on 24 June 2023 ('reporting period') in accordance with the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ('ASX Recommendations'). Ingham's Board of Directors has approved this Corporate Governance Statement as at 17 August 2023.

Ingham's Board and Committee Charters and the key Corporate Governance policies referred to in this statement are available on the Company website at: https://investors.inghams.com.au/Investor-Centre/Governance.html?page=corporate-governance.

Distribution centre, South Australia

PRINCIPLE 1

LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Board Responsibilities

The Board is responsible for the overall governance of Ingham's, including overseeing and appraising the Company's strategies, policies, performance and reporting to shareholders. In accordance with the Board Charter, the Board sets, reviews and monitors compliance with the Company's values, strategies, policies and performance, and ensures that shareholders are kept informed of the Group's performance and any major developments affecting its state of affairs.

The Company's purpose and values form the basis of Ingham's culture and are disclosed on the Company website.

The Board Charter sets out the Board's role, powers and duties, and establishes the functions reserved for the Board and those delegated to management. The Charter is available on the Company website at: https://investors.inghams.com.au/Investor-Centre/Governance.html?page=corporate-governance.

The Board's responsibilities as set out in the Board Charter include:

- Selecting, appointing and evaluating, from time to time, the performance of, determining the remuneration of, and planning succession of the Chief Executive Officer and Managing Director (CEO/MD);
- Contributing to and approving management's development of corporate strategy, setting performance objectives and approving operating budgets;
- Reviewing, ratifying and monitoring systems of risk management and internal control, and ethical and legal compliance;
- Monitoring corporate performance and implementation of strategy and policy;
- Approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;
- Monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting;
- Overseeing the Company's Environmental, Social and Governance (ESG) commitments, initiatives and reporting; and
- Developing and reviewing corporate governance principles and policies.

The Board delegates authority to the CEO/MD for the day-to-day operations of the Company, its subsidiaries and their respective operations. The Company Secretary is accountable to the Board, through the Chair, for the proper functioning of the Board.

Board Reviews and Appointments

The Board regularly reviews the performance and effectiveness of the Board, its committees and individual directors. This is done to ensure individual directors, Board committees, and the Board as a whole work effectively in meeting their responsibilities. The Company has written agreements in place with its directors setting out the terms of their appointment. Before the appointment of a new director, the Company arranges for appropriate checks to be undertaken relevant to a decision on whether to elect a director. Material information relevant to each director's qualifications and experience is disclosed to security holders through a number of channels, including via the Notice of Meeting, and the directors' resumés and other information in this report. There were no new Directors appointed during the reporting period. During the reporting period, Peter Bush retired as Chair and Non-Executive Director, effective 20 August 2022 and Robyn Stubbs resigned as Non-Executive Director, effective 21 June 2023, as announced to the ASX. Helen Nash was appointed as Chair of the Board with effect from 20 August 2022, following Peter Bush's retirement.

Inclusion, equity and diversity

The Company has an Inclusion, Equity and Diversity Policy, which includes a requirement that the Board sets measurable objectives for diversity, including gender diversity. The Company's FY23 targets for gender diversity were that women should comprise at least 30% (in aggregate) of the Board and senior leaders within Ingham's management. The measurable objective with respect to the Board meets the recommendations applying to Ingham's as an S&P/ASX 300 company under the ASX Recommendations.

At all times during the reporting period, women comprised more than 40% of the Board, more than 30% of senior leaders, and 40% of our people across Australia and New Zealand. As a 'relevant employer' under the Workplace Gender Equality Act 2012, the Company submitted its annual filing to the Workplace Gender Equality Agency (WGEA) by 29 May 2023 for the 12-month period ending 31 March 2023, which will disclose its current Gender Equality Indicators. When published, the report can be accessed in accordance with the ASX Recommendations at: https://data.wgea.gov.au/organisations/464.

The Company continues to be committed to be a workplace that encourages inclusion and diversity.

Executive responsibilities and reviews

Each member of the Executive Leadership Team, including the CEO/MD, has a written service agreement that clearly sets out their role and responsibilities. The goals and objectives of the Executive Leadership Team are aligned with Ingham's strategic objectives. The performance of each member of Ingham's Executive Leadership Team is evaluated during the reporting period.

The performance of the CEO/MD is reviewed by the Board and the Chair.

The Company undertakes appropriate background checks on Executive Leaders before appointment. Details of the experience of the Executive Leadership Team are set out in this report.

PRINCIPLE 2

STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

For the majority of the reporting period, the Board comprised of eight Directors – seven independent Non-Executive Directors and one Executive Director (being the CEO/MD)[1]. The Chair of the Board, Helen Nash, is an independent Non-Executive Director. The Board seeks directors with an appropriate range of skills, knowledge, experience, independence and diversity to deal with current and emerging business issues. The table on page 45 summarises the key skills of the directors and forms the basis of the skills matrix against which Non-Executive Directors are assessed, to ensure that the skills and experience of the Board reflect the various areas relevant to Ingham's core capabilities and strategic objectives. Details of the experience, qualifications, and length of service of current directors are set out on pages 38 to 40 and 50 to 51 of this report.

Independence of directors

The Board only considers a director to be independent where they are free of any interest, position, association or relationship that might influence, or might reasonably be perceived to influence, in a material respect, their capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of Ingham's and its shareholders generally. The Company's Board Charter sets out guidelines for the purpose of determining independence of directors in accordance with the ASX Recommendations and has adopted a definition of independence based on the ASX Recommendations. The Board will consider the materiality of any given interest, position, association or relationship on a case-by-case basis and reviews each director's independence in light of interests disclosed to the Board from time to time. During the reporting period, the Board considered that each of Peter Bush[2], Helen Nash (Chair)[3], Rob Gordon, Michael Ihlein, Timothy Longstaff, Jackie McArthur, Linda Bardo Nicholls AO and Robyn Stubbs[4] were free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of their respective judgment as directors, and were able to fulfil the role of an independent director for the purposes of the ASX Recommendations.

1. *During the reporting period, Peter Bush retired as Chair and Non-Executive Director, effective 20 August 2022 and Robyn Stubbs resigned as Non-Executive Directors, effective 21 June 2023.*
2. *Peter Bush retired from Ingham's Board of Directors with effect from 20 August 2022.*
3. *Helen Nash, who was appointed Chair of the Board following Peter Bush's retirement on 20 August 2022, is also a Director of Metcash Limited, which is a customer of the Company and therefore a factor relevant to assessing independence. The Board has considered this relationship, and because the Company's dealings with Metcash are not material to Ingham's sales volume, revenue or overall results, the Board is of the opinion that this role does not compromise Helen Nash's independence.*
4. *Robyn Stubbs resigned from Ingham's Board of Directors effective 21 June 2023.*

Nomination Committee and Board education and succession

Throughout the reporting period, the Board's Nomination Committee had at least three members and all members, including the Chair, were considered independent.

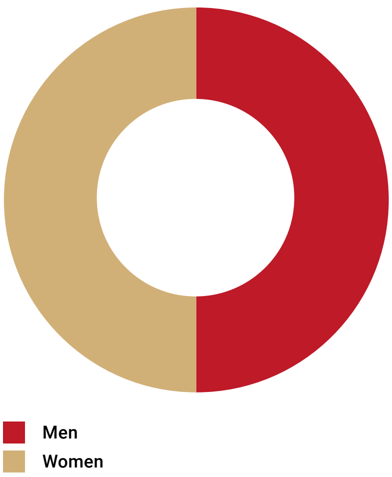
As at the end of the reporting period the Nomination Committee comprised of six Non-Executive Directors: Helen Nash (Chair), Rob Gordon, Michael Ihlein, Timothy Longstaff, Jackie McArthur and Linda Bardo Nicholls AO. The roles, responsibilities, composition and structure of the Nomination Committee are set out in the Nomination Committee Charter available on the Company website.

The Nomination Committee assists the Board with the selection and appointment of directors. The Committee met on a number of occasions during the reporting period, including with other directors. The number of times the Nomination Committee met throughout the reporting period and individual attendance is set out elsewhere in this report.

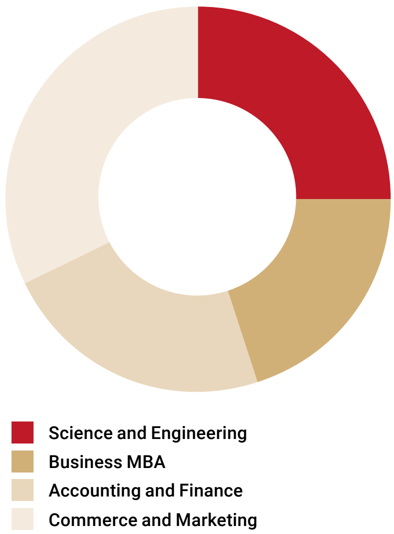
The Board has a program for inducting new directors and considers ongoing professional development for directors to maintain the skills and knowledge needed to perform their roles effectively.

The Board will continue to review its composition with a view to enhancing its base of skills and experience, and to develop succession plans to maintain an appropriate balance of skills, knowledge, experience, independence and diversity on the Board.

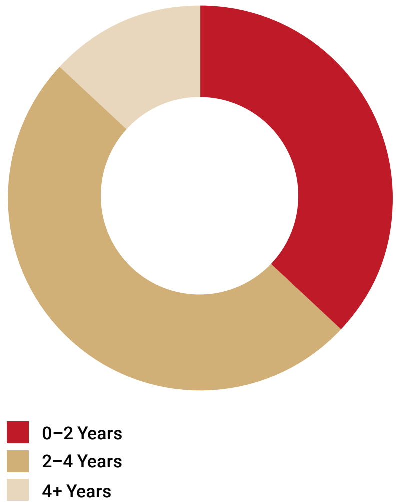
Gender diversity



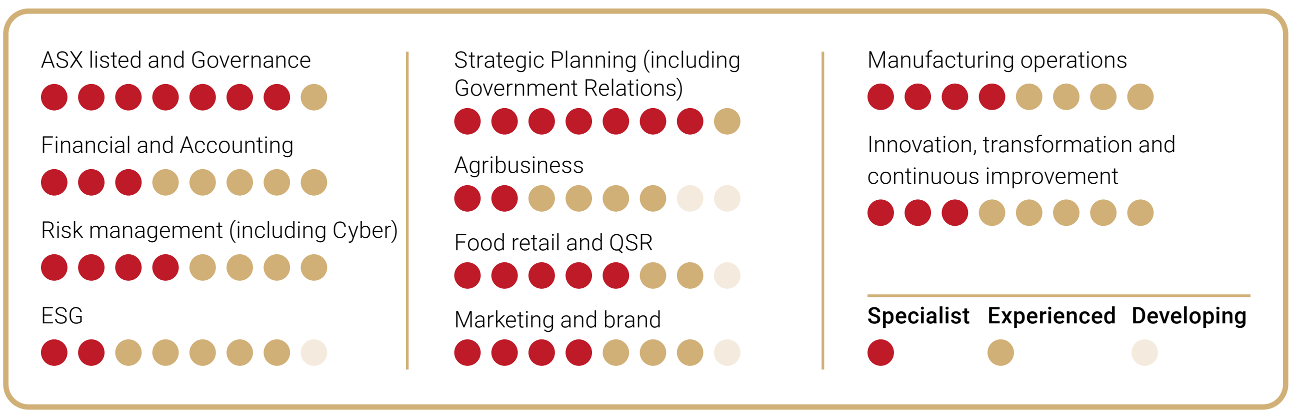
Tertiary qualifications



Tenure



Skills and experience[5]



5. The information included in this section includes Robyn Stubbs, but not Peter Bush who retired effective 20 August 2022.

PRINCIPLE 3

INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

The Company is committed to act with honesty, integrity and ethically in all its dealings. It has adopted a Code of Conduct that underpins the Company's commitments, ethical standards and policies. It also outlines the standards of conduct expected of Ingham's business and people, taking into account the Company's legal and other obligations to its stakeholders. The Company's values – care, courage, curiosity and commitment – form the basis of Ingham's culture and are disclosed on the Company website.

The Company has an Anti-Bribery and Anti-Corruption Policy and a Whistleblower Policy. These policies outline the Company's commitment to prevent fraud, bribery and corruption and provides a mechanism for individuals to report concerns regarding potentially improper practices or behaviours. The Board is advised of all material breaches of those policies and the Code of Conduct through the People and Remuneration Committee. Copies of these policies are available on Ingham's website at: https://investors.inghams.com.au/Investor-Centre/Governance.html?page=corporate-governance

PRINCIPLE 4

SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Finance and Audit Committee

The Finance and Audit Committee (FAC) assists the Board in fulfilling its corporate governance and oversight responsibilities in relation to:

- the integrity of the Company's financial reporting;
- the Company's financial controls and systems; and
- the Company's relationship with each of the external auditor and internal auditor, and the external and internal audit functions generally.

The FAC Charter sets out the roles, responsibilities, composition and structure of the Committee.

Throughout the reporting period, the FAC had at least three members and all members, including the Chair, were considered independent.

At the end of the reporting period, the FAC was comprised of four Non-Executive Directors: Michael Ihlein (Chair), Rob Gordon, Timothy Longstaff and Linda Bardo Nicholls AO.

The CEO/MD, the Chief Financial Officer (CFO), the external auditor and the internal auditor must attend Committee meetings if requested. The Committee has unrestricted access to management and the auditors, and the right to seek explanations and additional information. The Committee meets with the external auditor and the internal auditor without management present. The number of times the FAC met throughout the reporting period and individual attendance is set out elsewhere in this report.

Chief Executive Officer and Managing Director and Chief Financial Officer certifications

Prior to the Board's approval of the half year and full year financial statements, the CEO/MD and the CFO provided assurances to the Board for each of those reporting periods, that in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

External Audit

Ingham's external auditor is KPMG. The Company's auditor attends the Company's Annual General Meeting (AGM) each year and is available to answer questions from shareholders relevant to the audit and the preparation and content of the auditor's report.

Internal Audit

The Internal Audit department provides independent and objective assurance on the adequacy and effectiveness of the Group's systems for risk management, internal control and governance. Internal Audit also offers recommendations to improve the efficiency and effectiveness of Ingham's internal control systems and processes. The Internal Auditor reports to the Board through the FAC on Ingham's compliance against its governance framework and policies, and has direct access to the Chair of the FAC. The Internal auditor oversees the implementation of Ingham's risk framework across the organisation, and generally provides the FAC with reports and information relevant to assisting the Committee with discharging its responsibilities.

Verification

Ingham's is committed to providing shareholders and other stakeholders with timely and transparent corporate reporting. For any periodic report that is not audited or reviewed by an external auditor, including disclosures in this report on operations, sustainability, risk and corporate governance, the Company has implemented internal verification processes to validate the statements made and supporting the data used. During the reporting period, ASX announcements (other than administrative announcements) were reviewed and approved before publication by the Ingham's Board and/or the Company's Continuous Disclosure Committee comprising the CEO/MD, CFO and Company Secretary.

Ingham's process to verify the integrity of corporate reports is based on the nature of the relevant report, its subject matter and where it will be published. Generally, the following processes and principles are applied for preparation and verification of its corporate reporting:

- relevant subject matter experts provide corporate reports with oversight by relevant Executive Leadership Team members;
- all reports are required to be accurate and not misleading, and to comply with applicable legislation or regulation; and
- relevant reports must be authorised for release by any appropriate approver required under Ingham's policy.

The Annual Report for the reporting period, which includes Ingham's Financial Statements, the Operating and Financial Review, the Remuneration Report, Sustainability Report and Corporate Governance Statement, were prepared by the relevant subject matter experts and reviewed and verified by relevant Ingham's executives and senior leaders prior to Board approval.

For sustainability disclosures, the internal assurance process included reviewing and aggregating external sources for utility data, such as utility provider invoices and transaction reports, and individual site records for water and waste for a small number of sites. Greenhouse gas emissions were calculated on an externally administered web-based platform, which uses the latest emissions factors published by the Australian and New Zealand governments for each region.

PRINCIPLE 5

MAKE TIMELY AND BALANCED DISCLOSURE

The Company has a Continuous Disclosure Policy for the purposes of complying with its continuous disclosure obligations. The policy outlines the processes the Company implements to ensure compliance with its continuous disclosure obligations, including the role of the Continuous Disclosure Committee. The Company releases any new and substantive investor or analyst presentations prepared by the Company on the ASX Market Announcements Platform ahead of any presentations.

Directors are promptly provided with copies of all material announcements after they have been made.

A copy of the Continuous Disclosure Policy is available on Ingham's website at: https://investors.inghams.com.au/Investor-Centre/Governance.html?page=corporate-governance.

PRINCIPLE 6

RESPECT THE RIGHTS OF SECURITY HOLDERS

Communication with shareholders

Ingham's investor relations program aims to promote effective two-way communication between the Company, and both investors and market analysts. This ensures they are kept informed of all major developments affecting the Company's state of affairs. In addition, Ingham's values the opportunity to hear investors' and analysts' views and concerns and, where appropriate, distils and communicates those views to the Board.

Shareholder communications include half yearly and annual reports, market announcements and media releases. All are available in the Investor Centre of the Company website, together with corporate governance information and background information on the Group. Shareholders have the option to receive communications from and send communications to Ingham's and its security registry electronically to ensure information is received in a timely manner. Digital communications also supports our commitment to more sustainable operations.

The Company provides the full text of all notices of meetings and explanatory material on its website. The Company also encourages shareholders to provide email addresses so that notices of meetings and explanatory material can be sent to shareholders electronically. A notice setting out the rights of shareholders to request that documents be sent to them in a manner required by section 110K of the Corporations Act is available on the Company's website: https://investors.inghams.com.au/Investor-Centre/AGM.html?page=annual-general-meetings

The Company encourages the participation of shareholders at its AGM each year. All substantive resolutions at meetings of shareholders of the Company are decided by poll.

PRINCIPLE 7

RECOGNISE AND MANAGE RISK

Risk and Sustainability Committee

Ingham's Risk and Sustainability Committee (RSC) is responsible for overseeing the implementation and effectiveness of both the Company's risk management system and its sustainability strategy and reporting.

The RSC Charter sets out the responsibilities of the Committee in relation to risk.

Throughout the reporting period, the RSC had at least three members and all members, including the Chair, were considered independent.

As at the end of the reporting period, the RSC was comprised of three Non-Executive Directors: Jackie McArthur (Chair), Rob Gordon and Linda Bardo Nicholls AO.

Timothy Longstaff, Robyn Stubbs and Michael Ihlein were also members of RSC for periods during in the reporting period.

The number of times the RSC met throughout the reporting period and individual attendance is set out elsewhere in this report.

Evaluate and manage risk

The Board and the Risk and Sustainability Committee monitor and evaluate risks through a variety of existing systems, programs and policies. The Finance and Audit Committee monitors and evaluates financial risks, while the People and Remuneration Committee monitors and evaluates people risks. The Board and/or Risk and Sustainability Committee also reviews the following areas:

- the Company's risk management and compliance framework, including at least annual review of the entity's risk management framework to satisfy itself that it continues to be sound and that Ingham's is operating with due regard to the Board's agreed risk appetite statements, which are agreed annually and monitored biannually;
- health, safety, quality and environmental risks;
- all other material and emerging risks including but not limited to risks associated with cyber security, brand and reputation, climate change and regulatory matters (but excluding financial and people risks, which are the responsibility of the Finance and Audit Committee and People and Remuneration Committee respectively);
- strategic risks facing the Company;
- the annual insurance program structure;
- the adequacy of business continuity plans; and
- the Company's sustainability strategy, reporting and implementation plans.

The Company's management is responsible for managing strategic, financial and operational risk, and implementing risk mitigation measures, within parameters overseen by the Board and its Committees. Management incorporates risk management into strategic planning and decision-making to understand and prioritise the management of material business risks. The RSC reviews key risks within the Company's risk management framework to ensure Ingham's strategy is executed in a responsible, ethical and sustainable way.

Ingham's Sustainability Report, contained within the Annual Report, addresses the areas considered key for sustainable performance, including animal welfare, climate change, water stewardship, sustainable agriculture, environmental compliance, people and safety, and procurement.

PRINCIPLE 8

REMUNERATE FAIRLY AND RESPONSIBLY

People and Remuneration Committee

Ingham's People and Remuneration Committee (PRC) assists and advises the Board on remuneration policies and practices for the Board and Executive Leadership Team, including equity-based remuneration.

The roles, responsibilities, composition and structure of the PRC are set out in the PRC Charter.

Throughout the reporting period, the PRC had at least three members and all members, including the Chair, were considered independent.

As at the end of the reporting period, the PRC was comprised of four Non-Executive Directors: Timothy Longstaff (Chair), Michael Ihlein, Jackie McArthur and Linda Bardo Nicholls AO.

Robyn Stubbs was also a member and Chair of PRC for a period during in the reporting period.

The number of times the PRC met throughout the reporting period and individual attendance is set out elsewhere in this report.

Director and executive remuneration

The Remuneration Report on pages 69 to 90 of this report details Ingham's policies and practices for remunerating directors and executives. The Company distinguishes the remuneration of Executive Directors and Executive Leaders from Non-Executive Directors by offering Executive Leaders a mix of fixed and at-risk remuneration through the Company's short-term and long-term incentive plans. These plans are designed to enable Ingham's to realise its strategic objectives by rewarding sustainable performance and behaviour that is aligned to our purpose and values.

Non-Executive Director's remuneration is fixed and includes superannuation. It does not include any retirement benefits.

Securities trading policy

Ingham's Securities Dealing Policy includes terms which provide that the Directors, the CEO/MD and other Company executives (each being 'Designated Persons' under the Policy) are prohibited from entering into transactions or arrangements with anyone who could have the effect of limiting their exposure to risk relating to an element of their remuneration that has not vested or is held subject to escrow restrictions.

Broiler farm, South Australia

FINANCIAL REPORT

DIRECTORS' REPORT

This audited general purpose financial report for the 52 weeks ended 24 June 2023 covers the consolidated entity comprising Inghams Group Limited (the Company) (ACN 162 709 506) and its controlled entities ('The Group', 'Ingham's'). The Group's functional and presentation currency is Australian dollars ($), rounded to the nearest hundred thousand.

DIRECTORS

The following persons were Directors of Inghams Group Limited during the year and until the date of this report unless otherwise noted:

NAME	ROLE	DATE OF APPOINTMENT	DATE OF RESIGNATION
Helen Nash	Chair	20 August 2022[1]	
Peter Bush	Chair	7 October 2016	20 August 2022
Rob Gordon	Non-Executive Director	11 April 2019	
Michael Ihlein	Non-Executive Director	16 April 2020	
Timothy Longstaff	Non-Executive Director	20 January 2022	
Jackie McArthur	Non-Executive Director	18 September 2017	
Linda Bardo Nicholls AO	Non-Executive Director	7 October 2016	
Andrew Reeves	CEO and Managing Director	29 March 2021[2]	
Robyn Stubbs	Non-Executive Director	20 January 2022	21 June 2023

(1) Helen Nash served as a Non-Executive Director from 16 May 2017 until her appointment as Chair on 20 August 2022.

(2) Andrew Reeves served as a Non-Executive Director from 14 January 2019 until his appointment as CEO and Managing Director on 29 March 2021.

DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of Board Committees) held during the year and the number of meetings attended by each director, during their time in office, were as follows:

	#DIRECTOR MEETINGS ATTENDED	*DIRECTOR MEETINGS HELD	#FAC MEETINGS ATTENDED	*FAC MEETINGS HELD	#PRC MEETINGS ATTENDED	*PRC MEETINGS HELD	#RSC MEETINGS ATTENDED	*RSC MEETINGS HELD	#NOMS C MEETINGS ATTENDED	*NOMS C MEETINGS HELD
H Nash[1]	10(c)	10	4	n/a	6	1	3	n/a	2(c)	2
R Gordon[2]	9	10	4	4	2	n/a	1	3	2	2
M Ihlein[3]	10	10	4(c)	4	6	6	4	1	2	2
T Longstaff[4]	10	10	4	4	4(c)	n/a	4	4	2	2
J McArthur	10	10	2	n/a	6	6	4(c)	4	2	2
L Bardo Nicholls AO[5]	10	10	4	4	6	6	4	1	2	2
A Reeves	10	10	4	n/a	6	n/a	4	n/a	2	n/a
R Stubbs[6]	10	10	4	n/a	6	6	4	4	n/a	n/a
P Bush[7]	1	1	1	n/a	1	n/a	n/a	n/a	n/a	n/a

\# Meetings attended refers to the number of meetings attended by a Director during their term in office. In the case of Board Committees, this includes all attendance regardless of whether the Director was a Member of the Committee at the time.

* Meetings held refers to the number of meetings held during the period while the Director was a Board or Board Committee member (as applicable).

(c) Denotes Chair of the Board or Committee as at the end of the reporting period.

As noted below, during the reporting period Peter Bush retired as Chair of the Board, Robyn Stubbs resigned from the Board and Helen Nash was appointed as Chair of the Board. As a result, there were a number of changes to the membership of the Board and Board Committees.

During the reporting period:

(1) Helen Nash was appointed as Chair of the Board and Chair of the Nominations Committee with effect from 20 August 22 and consequently resigned as Chair and as a member of PRC.

(2) Rob Gordon was appointed as a member of the Nominations Committee on 02 June 23. Rob Gordon was also appointed as a member of RSC on 20 August 22, resigned on 21 March 23 and was re-appointed on 21 June 23.

(3) Michael Ihlein resigned as a member of RSC on 20 August 22.

(4) Timothy Longstaff was appointed as a member of the Nominations Committee on 02 June 23. Timothy Longstaff was also appointed as Chair and member of the PRC on 21 June 23 and resigned as a member of RSC on 21 June 23.

(5) Linda Bardo Nicholls AO resigned as a member of RSC on 20 August 22 and was re-appointed on 21 June 23.

(6) Robyn Stubbs was appointed as a member of RSC on 20 August 22 and resigned as a Non-Executive Director including as Chair of the PRC and member of the RSC on 21 June 23.

(7) Peter Bush retired as a Non-Executive Director, including as Chair the Board and Chair of the Nominations Committee, on 20 August 22.

FAC = Finance and Audit Committee

PRC = People and Remuneration Committee

RSC = Risk and Sustainability Committee

Noms C = Nominations Committee

GROUP LEGAL COUNSEL AND COMPANY SECRETARY

Marta Kielich

Bachelor of Laws (Honours), Bachelor of Commerce

Marta joined Ingham's on 24 July 2023. Marta has more than 15 years' listed company experience providing legal counsel, company secretarial and governance support at companies including City Chic Collective, 3P Learning, Origin Energy and the Australian Securities Exchange. She is a Fellow of the Governance Institute of Australia, a Member of the Australian Institute of Company Directors and a Member of the Law Society of NSW.

David Matthews

B Econ, LL.B.

David was Ingham's Group General Counsel and Company Secretary from November 2015 to 28 June 2023. David has over 30 years' experience as a lawyer with international law firms in Australia and the UK and with large, listed global companies. Prior to joining Ingham's, he was General Counsel and Company Secretary of Fonterra Co-operative Group, Telecom New Zealand's Australian operations, and Arnott's Biscuits/Campbell Soup in the Asia Pacific Region.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year consisted of the production and sale of chicken and turkey products across its vertically integrated free-range, value enhanced, primary processed, further processed and by-product categories. Additionally, stockfeed is produced primarily for internal use but also for the poultry and pig industries.

CORPORATE STRUCTURE

Ingham's is a company limited by shares that is incorporated and domiciled in Australia. Details of all companies in the Group are outlined in Note 21 to the Financial Statements.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the nature of the Group's activities during the year.

DIVIDENDS

An interim fully franked dividend of 4.5 cents per share totalling $16.7 million was paid on 6 April 2023 (FY22: 6.5 cents per share totalling $24.2 million).

Subsequent to the year end, a final fully franked dividend of 10.0 cents per share has been declared totalling $37.2 million (FY22: 0.5 cents per share totalling $1.9 million) to be paid on 5 October 2023. The financial effect of this dividend has not been brought to account in these consolidated financial statements and will be recognised in the subsequent financial report.

The full year fully franked dividend of 14.5 cents per share (FY22: 7.0 cents per share), represents a payout ratio of 75.8%, at the upper range of the 60-80% payout range of Underlying Net Profit After Tax (NPAT).

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Subsequent to the year end, on 9 August 2023, Ingham's received formal approval from the Overseas Investment Office in relation to the transaction to acquire Bromley Park Hatcheries business in New Zealand. There are still several further conditions precedent required to be satisfied prior to the transaction being completed, expected during Q2 FY24.

Other than the dividend declaration and matter noted above, the directors of the Company are not aware of any other matter or circumstance not otherwise dealt with in the financial report that significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs in the period subsequent to the year ended 24 June 2023.

ENVIRONMENTAL REGULATION

The Group is subject to particular and significant environmental regulations. All relevant authorities have been provided with regular updates, and to the best of the directors' knowledge all activities have been undertaken in compliance with or in accordance with a process agreed with the relevant authority.

The Group takes its environmental obligations seriously and has had an environmental policy in place for more than 30 years. The policy provides the framework for a comprehensive management strategy that is integrated with overall business strategy and ensures individual sites are managed in a consistent way to a high standard. In the past decade, sustainability has become a focus for the organisation and is a key business objective, helping identify business improvements and further efficiencies. Ingham's ambition is to be the leader in sustainable poultry and continues to focus on resource conservation through its Alliance for Water Stewardship partnership and waste reduction resulting in an 86% diversion of waste from landfill for FY23.

The policy contains a commitment to protecting the environment including:

- Development of an environmental management system integral to overall management;
- Prevention of pollution and carbon management;
- Product stewardship;
- Water, energy and material conservation;
- Continuous environmental improvement; and
- Working towards sustainability internally and with the supply chain.

It includes requirements for each site to develop and implement a site-specific environmental management plan, aligned to ISO14001:2015 standard requirements, with the following objectives:

- Compliance with applicable legal and other requirements met;
- Identification of environmental impacts of our activities, products and services;
- Procedures for managing activities with a potential to impact the environment;
- Continuous environmental improvement through setting and reviewing specific objectives and targets; and
- Clear responsibilities and accountability.

It also outlines the annual self-assessment and the periodic independent environmental review processes.

Each site has the required environmental protection licence or resource consent.

The Group is subject to the *National Greenhouse and Energy Reporting Act 1997* and is required to report on the energy consumption and greenhouse gas emissions of its Australian operations.

DIRECTORS' INTERESTS

The relevant interest of each director in the shares and rights over such instruments issued by the companies within the Group, as notified by the directors to the Australian Securities Exchange (ASX) in accordance with s205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

	ORDINARY SHARES	PERFORMANCE RIGHTS
Helen Nash	91,953	–
Rob Gordon	45,772	–
Michael Ihlein	45,455	–
Timothy Longstaff	29,850	–
Jackie McArthur	30,688	–
Linda Bardo Nicholls AO	55,846	–
Andrew Reeves	44,563	1,463,502

SHARE OPTIONS

Performance rights

Executive Key Management Personnel (KMP) and senior executives are invited annually to participate in a three-year Long Term Incentive Plan (LTIP), awarded in share rights with these share rights being performance based and only vesting if minimum performance hurdles are met. The share rights do not attract voting rights or entitle the holder to receive dividends.

In addition, Executive KMP and certain senior executives have a portion of any actual Short Term Incentive Plan (STIP) award deferred into share rights, that are required to be held for a period of 12 months before vesting into shares. No performance conditions exist for these share rights to vest and they are time-based vesting on the completion of the service period.

Share rights outstanding at the end of the year have the following expiry dates and exercise prices (where relevant):

		2023		2022	
GRANT DATE	EXPIRY DATE	EXERCISE PRICE	NUMBER OF RIGHTS	EXERCISE PRICE	NUMBER OF RIGHTS
21 June 2023	1 July 2025	–	2,323,507	–	–
17 November 2022	19 August 2025	–	367,015	–	–
27 September 2022	19 August 2025	–	193,830	–	–
5 November 2021	1 July 2024	–	1,401,302	–	1,462,535
15 September 2021	15 September 2022	–	–	–	98,000
10 June 2021	1 July 2023	–	814,815	–	862,917
2 April 2020	31 December 2022	–	–	–	14,410
1 September 2020	31 July 2023	–	15,031	–	15,031
Total Rights Outstanding			**5,115,500**		**2,452,893**

Included in the below table are rights outstanding to the following directors and officers of the company and the Group as at the date of the report:

NAME OF OFFICER	DATE GRANTED	NUMBER OF RIGHTS
Andrew Reeves	21 June 2023	688,152
Andrew Reeves	17 November 2022	367,015
Andrew Reeves	5 November 2021	408,335
Gary Mallett	21 June 2023	180,907
Gary Mallett	27 September 2022	193,830
Gary Mallett	5 November 2021	112,601
Gary Mallett	10 June 2021	128,368

No options were granted to the directors or officers of the company since the end of the financial year.

INDEMNITIES AND INSURANCE OF OFFICERS AND AUDITORS

Indemnities

Ingham's constitution indemnifies each officer of Ingham's and its controlled entities against a liability incurred by that person as an officer unless that liability arises out of conduct involving a lack of good faith. The constitution also provides that Ingham's may make a payment to an officer or employee (by way of advance, loan or otherwise) for legal costs incurred by them in defending legal proceedings in their capacity as an officer or employee. Ingham's has entered into a Deed of Access, Indemnity and Insurance with each director which applies during their term in office and after their resignation (except where a director engages in conduct involving a lack of good faith). Ingham's constitution provides that it may indemnify its auditor against liability incurred in its capacity as the auditor of Ingham's and its controlled entities. Ingham's has not provided such an indemnity.

Indemnification and insurance of officers

During the reporting period and since the end of the reporting period, the consolidated entity has paid premiums in respect of a contract insuring directors and officers of the consolidated entity in relation to certain liabilities. The insurance policy prohibits disclosure of the nature of the liabilities insured and the premium paid.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration required under section 307C of the *Corporation Act 2001* is included on page 91.

NON-AUDIT SERVICES

The following non-audit services were provided by the entity's auditor, KPMG. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. This assessment has been confirmed to the Board by the Finance and Audit Committee.

KPMG received or are due to receive the following amounts for the provision of non-audit services:

	$000
Other assurance services	24
Total non-audit services	**24**

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Instrument to the nearest hundred thousand dollars.

OPERATING AND FINANCIAL REVIEW

Non-IFRS measures

Throughout this report, Ingham's has included certain non-IFRS financial information, including EBITDA and EBIT. Ingham's believes that these non-IFRS measures provide useful information to recipients for measuring the underlying operating performance of Ingham's.

EBITDA stands for Earnings Before Interest, Tax, Depreciation and Amortisation. This is calculated throughout the Operating and Financial Review consistent with the segment information note to the financial statements from page 107.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Non-IFRS measures (continued)

Table 1: Results for FY23 actual compared to FY22

CONSOLIDATED INCOME STATEMENT	RESULT FY23 (52 WEEKS) ACTUAL $000	RESULT FY22 (52 WEEKS) ACTUAL $000	CHANGE $000
Revenue	3,044,000	2,713,100	330,900
Cost of sales	(2,289,200)	(2,059,800)	(229,400)
Gross profit	**754,800**	**653,300**	**101,500**
Other income	3,200	400	2,800
Distribution expense	(185,300)	(157,100)	(28,200)
Administration and selling expense	(154,600)	(126,600)	(28,000)
Share of net profit associate	400	400	–
EBITDA	**418,500**	**370,400**	**48,100**
Depreciation and amortisation	(268,200)	(270,600)	2,400
EBIT	**150,300**	**99,800**	**50,500**
Net interest expense	(77,200)	(66,600)	(10,600)
FX gain/(loss)	1,000	1,500	(500)
Net profit before tax	**74,100**	**34,700**	**39,400**
Income tax (expense)/benefit	(13,700)	400	(14,100)
Net profit after tax	**60,400**	**35,100**	**25,300**

Reconciliations – statutory to underlying

Table 2a: Reconciliation of EBITDA to Underlying EBITDA

CONSOLIDATED EBITDA ($000)	NOTE	FY23 ACTUAL	FY22 ACTUAL
Revenue		**3,044,000**	**2,713,100**
EBITDA		**418,500**	**370,400**
Restructuring	1	1,500	3,400
Impairment reversal	2	–	(3,100)
Business transformation	3	16,700	10,100
Property reassignment	4	(3,000)	–
Underlying EBITDA		**433,700**	**380,800**
AASB 16 impact on EBITDA		(250,100)	(245,600)
Underlying EBITDA pre AASB 16		**183,600**	**135,200**

(1) Removal of restructuring expenses.
(2) Removal of impairment reversal for Wacol.
(3) Removal of business transformation costs associated with the scope and design of the new ERP program.
(4) Removal of the gain on assignment of property sublease (Cleveland, QLD).

Table 2b: Segment split of items excluded from Underlying EBITDA

EBITDA IMPACT ($000)	NOTE	FY23 ACTUAL	FY22 ACTUAL
Australia		14,100	10,400
New Zealand		1,100	–
EBITDA impact		**15,200**	**10,400**

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Reconciliations – statutory to underlying (continued)

The items outlined below have been tax effected to determine an underlying Net Profit After Tax (NPAT) to allow shareholders to make a meaningful comparison of the Group's underlying NPAT performance against prior year.

Table 2c: Reconciliation of NPAT to Underlying NPAT

NPAT IMPACT ($000)	NOTE	FY23 ACTUAL	FY22 ACTUAL
NPAT		**60,400**	**35,100**
Restructuring	1	1,100	2,500
Impairment reversal	2	–	(2,200)
Business transformation	3	11,700	7,000
Property reassignment	4	(2,100)	–
Underlying NPAT		**71,100**	**42,400**
AASB 16 impact on NPAT		12,100	14,700
Underlying NPAT pre AASB 16		**83,200**	**57,100**

(1) Removal of restructuring expenses.
(2) Removal of impairment reversal for Wacol.
(3) Removal of business transformation costs associated with the scope and design of the new ERP program.
(4) Removal of the gain on assignment of property sublease (Cleveland, QLD).

Table 2d: Segment split of items excluded from Underlying NPAT

NPAT IMPACT ($000)	NOTE	FY23 ACTUAL	FY22 ACTUAL
Australia		9,900	7,300
New Zealand		800	–
NPAT impact		**10,700**	**7,300**

Underlying results

The underlying results below exclude business transformation costs, impairments and restructuring charges outlined above.

Table 3: Underlying results for FY23 compared to underlying results for prior year

CONSOLIDATED INCOME STATEMENT	FY23 UNDERLYING $000	FY22 UNDERLYING $000	CHANGE $000
Revenue	3,044,000	2,713,100	330,900
Cost of sales	(2,289,200)	(2,063,200)	(226,000)
Gross profit	**754,800**	**649,900**	**104,900**
Other income	3,200	400	2,800
Distribution expense	(185,300)	(153,400)	(31,900)
Administration and selling expense	(139,400)	(116,500)	(22,900)
Share of net profit associate	400	400	–
EBITDA	**433,700**	**380,800**	**52,900**
Depreciation and amortisation	(268,200)	(270,600)	2,400
EBIT	**165,500**	**110,200**	**55,300**
Net interest expense	(77,200)	(66,600)	(10,600)
FX gain/(loss)	1,000	1,500	(500)
Net profit before tax	**89,300**	**45,100**	**44,200**
Income tax expense	(18,200)	(2,700)	(15,500)
Net profit after tax	**71,100**	**42,400**	**28,700**

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Underlying results (continued)

The AASB 16 impact below is the bridge between underlying results and underlying pre AASB 16.

Table 4: AASB 16

AASB 16 IMPACT	FY23 AASB 16 $000	FY22 AASB 16 $000	CHANGE $000
Cost of sales	224,800	219,200	5,600
Gross profit	**224,800**	**219,200**	**5,600**
Distribution expense	20,600	22,500	(1,900)
Administration and selling expense	4,700	3,900	800
AASB 16 impact on EBITDA	**250,100**	**245,600**	**4,500**
Depreciation and amortisation	(214,000)	(214,700)	700
EBIT	**36,100**	**30,900**	**5,200**
Net interest expense	(53,300)	(51,700)	(1,600)
Net loss before tax	**(17,200)**	**(20,800)**	**3,600**
Income tax benefit	5,100	6,100	(1,000)
Net loss after tax	**(12,100)**	**(14,700)**	**2,600**

There is an EBITDA increase of $4.5 million due to CPI increases and additional one-off costs associated with extending the Wanneroo Feedmill lease.

Interest increased $1.6 million due to higher incremental borrowing rates at inception of new leases which included two replacement Distribution Centres and the contract extensions for New Zealand growers.

The AASB 16 impact on NPAT is reducing, this is predominantly due to 19 contracts growers transitioning to a variable performance-based contract which is no longer included within the Right-of-Use Asset and Lease Liability.

Table 5: Underlying results pre AASB 16 for FY23 compared to the prior year

UNDERLYING PRE AASB 16	FY23 UNDERLYING PRE AASB 16 $000	FY22 UNDERLYING PRE AASB 16 $000	CHANGE $000
Revenue	3,044,000	2,713,100	330,900
Cost of sales	(2,514,000)	(2,282,400)	(231,600)
Gross profit	**530,000**	**430,700**	**99,300**
Other income	3,200	400	2,800
Distribution expense	(205,900)	(175,900)	(30,000)
Administration and selling expense	(144,100)	(120,400)	(23,700)
Share of net profit associate	400	400	–
EBITDA	**183,600**	**135,200**	**48,400**
Depreciation and amortisation	(54,200)	(55,900)	1,700
EBIT	**129,400**	**79,300**	**50,100**
Net interest expense	(23,900)	(14,900)	(9,000)
FX gain	1,000	1,500	(500)
Net profit before tax	**106,500**	**65,900**	**40,600**
Income tax expense	(23,300)	(8,800)	(14,500)
Net profit after tax	**83,200**	**57,100**	**26,100**

The underlying results pre AASB 16 below exclude the business transformation costs, impairments, restructuring charges and the impact of AASB 16 as outlined above.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Underlying results (continued)

Total poultry volumes were broadly flat to last year (an increase of 0.2%), Australia was flat due to supply constraints relating to farming performance; and in New Zealand supply was constrained due to the planned reduction in egg settings to align the labour related processing and reduced further processing production driven by nationwide shortages of CO_2 in 2H. External Feed volumes declined (13.2%) due to the closure of Wanneroo Feedmill in Western Australia during the period which had a 55.2kt impact, offset by an increase in export volume and new business.

Revenue grew by 12.2% across FY23, underpinned by an improvement in net selling prices in Poultry of 12.2% and 26.2% in External Feed, which was reflective of the price increases to recover the ongoing increases in feed and fuel commodities and more general inflationary pressures.

Cost of Sales increased 10.1% due to the material impact of higher input prices for internal feed $122.6 million and other costs increases with fuel, freight, ingredients, cooking oil and repairs and maintenance all exceeding general inflation.

Other income increased due to a $3.0 million non-recurring reimbursement of costs incurred in the period. Distribution increased 17.1% predominantly due to an increase in fuel prices and external freight related costs.

Administration and selling increased 19.7% due to higher people related costs including STIP and LTIP, legal/consulting, and non-recurring benefit of an Incurred but not reported (IBNR) release from our Ovoid Bermuda insurance entity of $3.7 million in FY22.

Depreciation was below FY22 by 3.0% due to the impact of capital expenditure delays and investments in assets with a longer effective life.

Interest increased $9.0 million due to the increase in the BBSY rate on the drawn down debt and inventory procurement facility and higher average drawn balances across the year.

Foreign exchange gain realised relates to a New Zealand dollar forward contract closed out during the year.

The effective tax rate is 21.9% (2022: 13.4%). Tax expense increased by $14.5 million due to an improvement in the underlying earnings before tax. FY23 includes the recognition of the FY21 R&D tax credit of $8.5 million, while FY22 included the FY20 R&D tax credit $8.5 million and the release of a $2.2 million provision upon resolution of a historical tax matter.

Australia

Table 6: Selected financial information for the Australia segment

CONSOLIDATED INCOME STATEMENT	ACTUAL FY23 $000	ACTUAL FY22 $000	CHANGE $000
Poultry Revenue	2,439,200	2,169,400	269,800
External Feed Revenue	158,100	145,300	12,800
Revenue	**2,597,300**	**2,314,700**	**282,600**
EBITDA Segment	**357,000**	**312,200**	**44,800**
EBITDA AASB 16	(210,800)	(209,400)	(1,400)
EBITDA Significant items	14,100	10,400	3,700
EBITDA pre AASB 16	**160,300**	**113,200**	**47,100**

Australian revenue grew $282.6 million to $2,597.3 million as Poultry net selling price increases of 11.8% were passed on to all customers and channels. External Feed revenue grew by 8.8% as net selling prices increased 26.2% to recover the increases in raw material commodity prices.

Pre AASB 16 costs increased $235.5 million due to the impact of commodity prices on internal feed of $97.8 million and other costs increases with fuel, freight, ingredients, cooking oil and repairs and maintenance all exceeding general inflation.

As a result, the EBITDA pre AASB 16 result of $160.3 million improved $47.1 million or 41.6% compared to the PCP which was materially impacted by the impacts of Omicron in 2H FY22.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

New Zealand

Table 7: Selected financial information for the New Zealand segment

CONSOLIDATED INCOME STATEMENT	ACTUAL FY23 $000	ACTUAL FY22 $000	CHANGE $000
Poultry Revenue	381,800	341,100	40,700
External Feed Revenue	64,900	57,300	7,600
Revenue	**446,700**	**398,400**	**48,300**
EBITDA Segment	**61,500**	**58,200**	**3,300**
EBITDA AASB 16	(39,300)	(36,200)	(3,100)
EBITDA Significant items	1,100	–	1,100
EBITDA pre AASB 16	**23,300**	**22,000**	**1,300**

New Zealand revenue grew $48.3 million to $446.7 million as Poultry net selling price increases of 12.6% were passed on to all customers and channels. External Feed revenue grew by 13.3% as net selling prices increased 25.2% to recover the increase in raw material commodity prices.

Pre AASB 16 costs increased $47.0 million due to the impact of commodity prices on internal feed $24.8 million and other costs increases with fuel, freight, ingredients, cooking oil, utilities and repairs and maintenance all exceeding general inflation.

As a result, the EBITDA pre AASB 16 result of $23.3 million improved $1.3 million or 5.9% compared to the PCP which was impacted by COVID-19 across FY22.

Balance Sheet

Table 8: Selected consolidated statement of financial position for the year ended 24 June 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	FY23 $000	FY22 $000	CHANGE $000
Current assets	787,100	734,600	52,500
Non-current assets	1,787,200	1,808,300	(21,100)
Total assets	**2,574,300**	**2,542,900**	**31,400**
Current liabilities	718,000	736,300	(18,300)
Non-current liabilities	1,654,500	1,648,400	6,100
Total liabilities	**2,372,500**	**2,384,700**	**(12,200)**
Net assets	**201,800**	**158,200**	**43,600**

Net Assets

Current assets increased $52.5 million due to a 17.8% or $24.2 million (note 8) increase in Biological assets as a result of cycling higher feed costs; and an increase in Trade and other receivables of $46.4 million (note 7) relating to the impact of higher prices flowing through Trade debtors.

Non-current asset values have decreased ($21.1 million) due to the reduction in the right-of-use assets of $43.8 million (note 11), relating to depreciation exceeding the increases related to lease extensions, additions and CPI increases. Property, Plant and Equipment increased $16.5 million (note 10) due to additions relating to $71.9 million in capital investments offset by depreciation.

Current Liabilities decreased ($18.3 million) due to a reduction in lease liabilities of ($35.1 million), driven by the Cleveland lease re-assignment and contracts growers transitioning to variable contract.

Non-current liabilities increased $6.1 million due to an onerous lease provision of $7.1 million reflecting obligations post the re-assignment of the Cleveland lease.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Balance Sheet (continued)

Table 9: Consolidated net debt

NET DEBT	FY23 $000	FY22 $000
Bank loans	(400,000)	(400,000)
Capitalised loan establishment fees included in borrowings	1,200	1,100
Total borrowings	**(398,800)**	**(398,900)**
Less: Cash and cash equivalents	136,300	131,600
Net debt	**(262,500)**	**(267,300)**

Net debt

Net debt is largely consistent with FY22 and the leverage ratio as at June is 1.4x (FY22: 2.0x).

Material business risks

Ingham's is exposed to a range of strategic, and operational risks associated with operating a vertically integrated poultry company.

Ingham's has an enterprise risk management framework which together with governing most material risks, provides a sound basis for managing material risks. Ingham's has continued to invest to optimise its risk management processes and has continued to refine its reporting tools during FY23 including the utilisation of targeted project risk management. Ingham's continues to focus its dedicated risk management resources and maturing use of its integrated risk management software solution. Risk appetite statements have been updated with the Board and are challenged and monitored during the year. In addition, strategic and emerging risk reports and material operational risk 'deep dive' reports are regularly tabled to Ingham's Risk and Sustainability Board Committee.

Material business risks faced by the Group that may have a significant effect on the financial prospects of the Group include:

Strategic Risks:

RISK	IMPLICATION	MITIGATING ACTIONS
Changes in poultry demand and supply impacting poultry pricing due to regulation or social change	Any material increase in the supply of chicken in the Australian and New Zealand markets that exceeds the increase in demand could lead to an oversupply of chicken, which may result in reduced prices, negatively affecting Ingham's financial performance.	• We participate in a competitive market involving a number of suppliers of chicken products in Australia and New Zealand. • We carefully plan and manage our poultry flock numbers, and network capacity to match expected demand over the short term and long term. • We maintain access to domestic wholesale and export markets to help manage supply excesses. • We monitor local and global consumption macro-economic trends.
Import restrictions	Changes to import or quarantine conditions in Australia and/or New Zealand that would allow additional forms of poultry to be imported could result in changes to the poultry market that would adversely impact Ingham's financial performance. New Zealand currently relies on imported feed. If imports were restricted, this would raise grain commodities/feed costs in New Zealand and potentially make farming unviable.	• We contribute or respond to research on the topic of poultry food safety and disease. • We participate in discussions with industry forums and government bodies.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Material business risks (continued)

RISK	IMPLICATION	MITIGATING ACTIONS
Customer volumes or mix	A change in the volume or mix of Ingham's business could negatively impact its operational or commercial performance.	• We have embedded a commercial strategy that is focused on strengthening core customer relationships, and sustainably building new business in order to strengthen revenue streams and improve product mix over time.
Assets stranded geographically or due to new business models/technology	Ingham's may be locked into long-dated leases that do not align with future operating requirements and/or the economic life of the assets.	• Ingham's base network plan has been developed in light of long term forecast demand (at least 5 years), to make the best use of existing assets, and to provide substantial lead time to plan and manage our network footprint.

Operational Risks:

RISK	IMPLICATION	MITIGATING ACTIONS
Food safety and disease outbreak	Poor product quality or unsafe products and processes may potentially result in injury, harm or illness to consumers, claims, regulatory impacts and significant reputational damage. Outbreak of an avian disease in Ingham's flocks or within the same geographic regions may affect the use and transportation of the affected stock and disrupt supply causing financial loss. If products of Ingham's or a competitor became unsafe or were perceived as being unsafe, reduced demand for poultry products could follow.	• We have a food safety and quality governance framework and dedicated quality and food safety staff across the business to meet both mandatory and internal food safety requirements. • Ingham's is certified to British Retail Consortium (BRC) Food Safety Issue for the processing sites and BRC Storage and Distribution Issue 4 for the Distribution Centres with an overall rating of AA across all Australia and New Zealand sites. This is a Global Food Safety Initiative (GFSI) world class standard. • Ingham's is also certified to over 5 Customer Owned Standards for both Retail outlets and Quick Service Restaurants. • Procedures are in place as to how we effectively manage, handle, store, recall and withdraw products. • Our competitive landscape is monitored in Australia and New Zealand for immediate impacts to our poultry demand and the global context continues to be monitored. • Our Product Pride program involves quality assurance, training and awareness across the whole supply chain. • High biosecurity measures are in place to control the risk of infections on our sites. • We have documented procedures to manage and minimise the impact should an avian disease outbreak occur.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Material business risks (continued)

RISK	IMPLICATION	MITIGATING ACTIONS
Animal welfare and Bird supply failure	Poor animal welfare practices or industry activism could result in significant reputational damage for Ingham's and the poultry industry more broadly. As a vertically integrated company, our farming supply chain can be impacted by availability of great grandparent stock and breeder or broiler performance issues.	• Our commitment to high animal welfare standards is underpinned by comprehensive programs developed in collaboration with international animal welfare experts, customers and regulatory authorities. • We hold accreditations with the Royal Society for the Prevention of Cruelty to Animals. In Australia this is the Approved Farming Scheme (RSPCA Approved), and the Animal Welfare Certified Scheme (SPCA Certified) for our Waitoa free-range brand in New Zealand. In line with their respective Scheme standards, this is planned to expand to all NZ Farms from later in 2023. • We maintain a close relationship with our great grandparent bird stock supplier to understand breeder stock availability and performance trends. Ingham's has comprehensive protocols and procedures that cover farm management and biosecurity. Close oversight of breeder and broiler farms enables us to verify that farms are meeting our standards and ensures we can respond promptly to mitigate the impact of any flock performance issues. We aim to maintain a sufficient egg stock buffer to respond to breeder or broiler performance issues.
Climate Change and Feed Input Costs	If feed ingredients supply is reduced following a prolonged period of drought, higher feed prices may arise from lower production levels resulting in higher input costs for Ingham's. Feed prices can also be impacted by events outside of drought, such as floods and fires as well as international supply shortages, creating challenges to the business to pass through rising costs.	• Ingham's national production footprint mitigates the risk of concentrated production in one region. In addition, the diversity of grain suppliers across the regions provides access to multiple grain supply chains, further mitigating the risk of grain shortages. • Input costs, including grain prices and pricing of other commodities, are managed through customer pricing negotiations as well as forward contracts.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Material business risks (continued)

RISK	IMPLICATION	MITIGATING ACTIONS
Plant failure and Site Security	A range of events, including natural disaster, fire, explosion and other force majeure related events, may result in the failure of one of our plants. Our plants include feed mills, primary processing plants and further processing plants. Site access remains a focus point for interruption at primary and secondary processing plants, farms and distribution centres which may impact on supply.	• We have a rolling program of regular site inspection of a plant's pressure vessels, boiler, gas supply and fire detection and response. • Ingham's would address any loss of plant using its business continuity plans, disaster recovery and network planning. This would mean that spare or contingent capacity is identified at a group level to accommodate a loss of the largest site. There may be instances where our spare or contingent capacity is insufficient to cover the loss of plant. • Ingham's retains a focus on contingency planning to all of its farms, production and distribution sites.
Customer relationships	The risk of reduced sales volumes, or a missed opportunity to increase sales volumes, across our customer network, could have a significant financial consequence for Ingham's.	• We focus on delivering and exceeding our customer expectations. • We extend supply agreements to key customers to both mitigate the risk of loss of business and allow for effective network planning. • Ingham's has a centralised customer complaints management process and network-wide tracking and remediation of outcomes arising from customer audits. • Quality assurance teams undertake comprehensive quality assurance testing of products prior to customer approvals.
Information asset failure and cyber	Information assets may fail, including denial of access as a result of a cyber attack, or failure, resulting in the inability to operate and support critical business processes.	• This is a fast-moving space. We have recently invested in further talent and capability to support the Cyber security uplift program, and are planning to augment existing IT capability with additional internal and external resources. • We have a range of IT and IT security controls within an overarching IT risk management framework. We regularly test our disaster recovery plans and continue to roll out a cyber awareness program, and are developing cyber specific security processes. • We have a forward-looking network-level strategy to refresh legacy information assets.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Material business risks (continued)

RISK	IMPLICATION	MITIGATING ACTIONS
Legal, regulatory and governance	Our operations are subject to a range of legal and regulatory matters including work health and safety, food safety, consumer protection, competition and the environment.	• We have a range of policies, procedures and plans to help us manage our legal and regulatory compliance. • Our Code of Conduct sets out the guiding principles for 'doing the right thing' and living up to our Purpose and Principles. • We evaluate and respond to legal proceedings and claims, with our response correlated to the potential risk exposure. • We monitor and engage with government and regulatory bodies on policy, regulatory compliance and impacts to the regulatory environment.
Business interruption, e.g. industrial action, labour resourcing and pandemic	Interruption to our operations can be caused by a range of issues including, but not limited to, natural disaster, supply chain, talent retention/acquisition, industrial action and other regulatory incidents, loss of plant, cyber incident or IT system failure and pandemic/epidemic. Business interruptions could impact our operations, our partners and our employees and may cause business and reputational damage as well as significant financial impacts.	• We monitor and respond to threats in the continuity of our operations. • We undertake a range of business continuity exercises to test the ability of our business to respond effectively. • We invest in our technology infrastructure and applications and regularly review our IT recovery plans to enhance our offsite back-up and recovery capabilities. • We continue to monitor, scenario plan and manage our business in line with potential pandemic impacts, which could have a material financial impact on our business, particularly relating to any response in Australia and New Zealand that could materially affect demand for poultry products or our ability to supply to market. • We continue to monitor and manage the effects of potential labour absenteeism or the challenges in retaining or sourcing staff for our business through workforce planning.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Strategy and future prospects

Our ambition continues to be that we want to be 'Australia and New Zealand's first choice for Poultry'. Our purpose and why we exist is to produce 'deliciously good food, in the best way'. This purpose underpins our strategic objectives, and our commitment to making a positive difference. FY23 marked our second year on our journey to delivering that purpose and living the Ingham's way.

Our strategy is focussed on growing returns over time, and we have progressed our framework in FY23 for how we achieve this across all critical aspects of our business.

Our marketplace:

- **Products**: We made progress in crafting a brand and product portfolio that creates more value for Ingham's, our customers, and our consumers via the relaunch of the Ingham's Masterbrand, launching multiple consumer led Innovations that excite our customers and consumers alike and reducing our portfolio of less profitable SKUs.
- **Customers**: We elevated our customer relationships to be less transactional and more strategic, with a longer-term focus. We continue to use consumer and shopper insights, data and analytics to ensure ongoing poultry category growth with and for our customers.

Our workplace:

- **Sustainability**: We continue to develop industry leadership in sustainable processes and practices, with clear progress outlined in our Sustainability Report.
- **People**: We are still on our journey to create a constructive culture; inspiring people to develop themselves and give their best everyday.
- **Efficiency**: We made significant progress in continuous improvement across all parts of our business, delivering savings but more importantly, embedding the right behaviours.
- **Capability**: Investing behind critical manufacturing capabilities continued to support areas of growth for the business, efficiency improvement, and meet evolving marketplace needs.

This strategy is in year two of execution and will continue through the ongoing development of systems, processes and people. This includes systems that embed continuous improvement capability, enable integrated business planning, and that evolve and integrate key technology systems and processes.

CHAIR OF THE PEOPLE AND REMUNERATION COMMITTEE

On behalf of the Board of Directors, I am pleased to present our Remuneration Report for the 2023 financial year (FY23). The Report summarises Inghams Group Limited's (Ingham's) remuneration strategy and outcomes for Executive Key Management Personnel (Executive KMP) and Non-Executive Directors.

The Board continues to govern Ingham's remuneration strategy and structure to support our purpose, ambition, values and behaviours with incentives to create value for our shareholders, customers and the community over the short, medium, and long term. This structure includes an equity component that fosters a business-ownership approach. It is underpinned by good governance, consultation with key stakeholders and alignment with the Company's business strategy.

Our year

Ingham's financial results in FY23 represented a strong rebound from the very difficult COVID impacted FY22 year. Key components on an underlying post AASB 16 basis were:

- increasing Revenue 12.2% to $3.04 billion;
- increasing Earnings Before Interest Taxes, Depreciation and Amortisation (EBITDA) by 13.9% to $433.7 million;
- increasing Earnings Before Interest and Taxes (EBIT) by 50.2% to $165.5 million;
- increasing Net Profit After Tax by 67.8% to $71.1 million; and
- increasing full-year dividends declared from 7.0 cents per share to 14.5 cents per share, a 107% increase.

I WOULD LIKE TO THANK OUR PEOPLE AND, IN PARTICULAR, OUR LEADERSHIP TEAM FOR DELIVERING SIGNIFICANTLY IMPROVED PROFIT PERFORMANCE AND LEADING WITH CARE.

FY23 remuneration outcomes – short term incentive plan (STIP) and long term incentive plan (LTIP)

In FY23, we undertook a thorough benchmarking and review process to assess Executive KMP remuneration. Based on the results of this review, the Board determined it appropriate to increase the Total Fixed Remuneration (TFR) for the Chief Executive Officer (CEO/MD) by 9.1% from 1 September 2022. Similarly, the TFR for the Chief Financial Officer (CFO) was increased by 4.0%. These increases better align TFR outcomes for each Executive KMP to comparable market rates for each role. For further information on TFR see page 77.

During FY23, the STIP financial measure and performance 'gate' moved from EBITDA pre AASB 16 to EBIT post AASB 16. The Core Volume Sales Growth measure was unchanged, as were the Food Safety and People Safety measures.

Based on the overall company performance during the financial year, the STIP Balanced Scorecard outcome was achieved, and the financial 'gate' governing STIP payments was also achieved. As a result, the individual final STIP outcome for Executive KMP was 60.4% of the maximum outcome for the CEO/MD and 60.4% of the maximum outcome for the CFO, with the balance for each participant forfeited, in line with our remuneration framework and policies. The Board did not exercise their discretion to alter the STIP outcome. For further information on the STIP outcomes see page 81.

For the FY21-FY23 LTIP, there was no vesting at the conclusion of this Plan as the performance of the Company on both the Return on Invested Capital (ROIC) measure and the relative Total Shareholder Return (TSR) measure was below the minimum levels required for vesting. For further information on individual Executive KMP see page 82.

The Board fees were unchanged in FY23.

Update on short term and long term incentive plans

During FY23, the Board undertook a thorough analysis and review of its short term and long term incentive plans. This included seeking input from a number of key stakeholders. The results of this work, in the form of revised STIP and LTIP structures for Executive KMP, will be presented for shareholder consideration at the 2023 AGM. For the FY24 STIP, we will be proposing the use of pre AASB 16 EBITDA, consistent with the financial performance measure used in FY22, as the sole financial measure. We propose removing the volume measure to make way for an additional ESG measure, and to reflect Ingham's focus on higher margin value-added products as a profit driver.

Ingham's includes Environmental, Social and Governance (ESG) non-financial incentive measures in the STIP to support our commitment to delivering the ESG strategy. For FY23, People Safety and Food Safety fall under the ESG measures and in FY24 they will remain. In addition we will propose the introduction of a water consumption measure, recognising the importance of this precious resource to a business that uses 5,701 ML of water per annum. The financial gate will not apply to the ESG measures, however, the safety measures will remain subject to the safety modifiers. In the event of a significant people or food safety incident the STIP payout on the safety metrics may be reduced as low as nil.

The table below shows the FY23 and intended FY24 STIP scorecard.

METRIC		FY23		FY24
Financial: EBITDA (pre AASB 16)				70%
Financial: EBIT (post AASB 16)	Gate	60%	Gate	
Financial: Core volume sales growth		20%		
ESG (non-financials):				
Environment: Water consumption				10%
Social: People safety	Modifier	10%	Modifier	10%
Social: Food safety		10%		10%
Total		**100%**		**100%**

For the LTIP, it is proposed that future schemes will be based on Underlying pre AASB 16-based Return on Invested Capital (ROIC) and relative Total Shareholder Return (TSR) as the performance measures, consistent with prior years.

The Board is committed to ensuring the remuneration strategy reflects good governance and is transparent in its design to support the business strategy and drive sustainable out performance for shareholders over the short, medium and long term.

Ingham's business and remuneration strategies continue to be aligned

In FY22, we adopted the requirement that Non-Executive Directors need to hold a minimum shareholding of 100% of their Board fees, the CEO/MD needs to hold a minimum of 100% of TFR and other Executive KMP 50% of TFR. The minimum shareholding will need to be achieved after five years and we expect significant progress by the end of three years.

To ensure stability in delivering against our business strategy through the retention of our CEO/MD and CFO, we received shareholder approval at the 2022 AGM (88.69%) for a one-off performance rights award up to 80% of TFR. The award is subject to performance conditions measured against Absolute Total Shareholder Return (TSR) over three years and held for one further year, with additional individual performance clawbacks. The grant price was determined using a 10-day VWAP following the announcement of the FY22 results. Any rights that vest will be settled via shares purchased on market. Further information is provided on page 85.

On behalf of the Board, we invite you to read our report. We look forward to receiving your feedback at the Annual General Meeting.

Yours faithfully,

Timothy Longstaff
Chair, People and Remuneration Committee

REMUNERATION REPORT – AUDITED

Contents

REMUNERATION REPORT – AUDITED (CONTINUED)

1. Remuneration report overview

The Remuneration Report has been audited as required by section 308 (3c) of the *Corporations Act 2001*.

This Report covers Non-Executive Directors and Executive Key Management Personnel (Executive KMP) of Ingham's who are responsible for determining and executing the business strategy. The Executive KMP comprises the Chief Executive Officer and Managing Director (CEO/MD), and the Chief Financial Officer (CFO) (Executive KMP).

Executive KMP are authorised and responsible for planning, directing and controlling Ingham's activities, directly or indirectly, including any director (whether executive or otherwise) of Ingham's.

The table below outlines the Non-Executive Directors of Ingham's and any movement during FY23.

NAME	POSITION	TERM
Non-Executive Directors		
Helen Nash[1]	Non-Executive Chair	From 20 August 2022
Peter Bush	Non-Executive Chair	To 20 August 2022
Rob Gordon	Non-Executive Director	Full financial year
Michael Ihlein	Non-Executive Director	Full financial year
Timothy Longstaff	Non-Executive Director	Full financial year
Jackie McArthur	Non-Executive Director	Full financial year
Linda Bardo Nicholls AO	Non-Executive Director	Full financial year
Robyn Stubbs	Non-Executive Director	To 21 June 2023

(1) Prior to her appointment as Chair, Helen Nash served as a Non-Executive Director.

The table below outlines the Executive KMP of Ingham's and any movement during FY23.

CURRENT EXECUTIVE KMP	POSITION	TERM AS EXECUTIVE KMP
Executive Director		
Andrew Reeves	CEO/MD	Full financial year
Senior executives		
Gary Mallett	CFO	Full financial year

2. How remuneration is governed

A. Remuneration decision making

The Board, People and Remuneration Committee, Executive KMP and Management work together to apply our Remuneration Governance Framework (see below) and ensure our strategy supports sustainable shareholder value. Our Framework is designed to support our purpose, ambition, values and behaviours that underpin our strategy and long term approach to creating value for our shareholders, customers and the community.

Ingham's has several policies that govern the framework and promote responsible management and conduct. These policies include an Inclusion, Equity and Diversity Policy, Code of Conduct, Continuous Disclosure Policy and Securities Dealing Policy. Further information is available at: http://investors.inghams.com.au.

Membership of the People and Remuneration Committee during the period 26 June 2022 to 24 June 2023 included the following five independent Non-Executive Directors and chaired by an independent Non-Executive Director for the whole year:

- Timothy Longstaff — Independent Non-Executive Committee Chair (appointed 21 June 2023)
- Linda Bardo Nicholls AO — Independent Non-Executive Committee Member
- Jackie McArthur — Independent Non-Executive Committee Member
- Michael Ihlein — Independent Non-Executive Committee Member
- Robyn Stubbs — Independent Non-Executive Committee Chair (resigned 21 June 2023)

The Committee's Charter allows the Committee access to specialist external advice about remuneration structure and levels and is utilised periodically to support the remuneration decision making process.

REMUNERATION REPORT – AUDITED (CONTINUED)

2. How remuneration is governed (continued)

Remuneration Governance Framework

INGHAM'S BOARD

- Responsible for the remuneration strategy and outcomes for executives and Non-Executive Directors.
- Reviews and approves recommendations from the People and Remuneration Committee.
- Approves the appointment of Non-Executive Directors.

PEOPLE AND REMUNERATION COMMITTEE

- Non-Executive Directors, all of whom are independent, including the Chair of the Committee, make recommendations to the Board on remuneration strategy, governance and policy for executives and Non-Executive Directors.
- Key responsibilities of the Committee are:

01. Approve major changes and developments in the remuneration policies and superannuation arrangements for the Group.

02. Approve the appointment of remuneration consultants for the purposes of the *Corporations Act 2001*.

03. Take appropriate action to ensure the Committee, Board and management have available to them sufficient information and external advice to ensure informed decision making regarding remuneration.

04. Review and recommend to the Board the Remuneration Report prepared in accordance with the *Corporations Act 2001* for inclusion in the annual Directors' Report.

05. Oversee and recommend to the Board an equitable, consistent and responsible reward approach – including incentive targets for achieving remuneration outcomes – have regard to the performance of Ingham's, the performance of the executives and the general pay environment.

NOMINATION COMMITTEE

- Developing and updating board skills matrix.
- Reviews and recommend Board size and composition.
- Succession plans for Chair and CEO.
- Recommendation for new directors or re-election of directors.
- Performance evaluation of board and committees.
- Induction and continuous professional development of directors.

INDEPENDENT EXTERNAL CONSULTANTS

- Provide external independent advice, information and recommendations relevant to remuneration decisions where required.
- Provided benchmarking data on executive remuneration to the People and Remuneration Committee.
- Advisors do not provide a remuneration recommendation as defined in Section 9B of the *Corporations Act 2001* and Advisors did not provide a remuneration recommendation for FY23.

CEO/MD AND CHIEF PEOPLE OFFICER

Provides information to the People and Remuneration Committee for the Committee to recommend:

01. Incentive targets and outcomes.

02. Remuneration Policy.

03. Short and long term incentive participation eligibility.

04. Individual remuneration and contractual arrangements for executives.

REMUNERATION REPORT – AUDITED (CONTINUED)

3. Overview of company performance

Overview of company performance

UNDERLYING EBITDA PRE AASB 16
$183.6M
IN FY23

UNDERLYING NPAT PRE AASB 16
$83.2M
IN FY23

TSR
-8.40%
FROM FY21 TO FY23

	FY23 STATUTORY	FY23 UNDERLYING[1]	FY22 STATUTORY	FY22 UNDERLYING[1]	FY21 STATUTORY	FY21 UNDERLYING[1]	FY20 STATUTORY	FY20 UNDERLYING[1]	FY19 STATUTORY	FY19 UNDERLYING[1]
Revenue ($'000)	3,044,000	3,044,000	2,713,100	2,713,100	2,668,800	2,668,800	2,553,300	2,553,300	2,489,800	2,487,800
EBITDA ($'000)	418,500	183,600	370,400	135,200	443,900	209,600	387,800	179,700	242,200	208,600
Profit after tax ($'000)	60,400	83,200	35,100	57,100	83,300	101,200	40,100	78,800	126,200	103,200
Dividends per year (cents per share)	14.5	14.5	7.0	7.0	16.5	16.5	14.0	14.0	19.5	19.5
Return of capital (cents per share)	–	–	–	–	–	–	–	–	33.0	33.0
Movement in share price (dollars per share)[2]	0.03	–	(1.37)	–	0.79	–	(0.82)	–	0.20	–

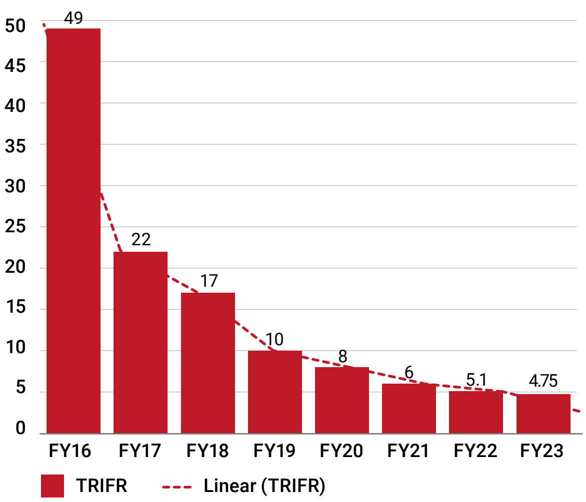
(1) Underlying pre AASB 16 excludes AASB 16 impact, the profit or loss on sale of assets, impairment, business transformation and restructuring charges. The above- mentioned items have been tax effected to determine an underlying Net Profit after Tax (NPAT) to allow shareholders to make a meaningful comparison of the Group's underlying NPAT performance against prior year. Underlying results are not calculated in accordance with accounting standards.

(2) Movement in share price is calculated by taking the last price of the financial year compared to the previous last day of the financial year.

Non-financial company performance

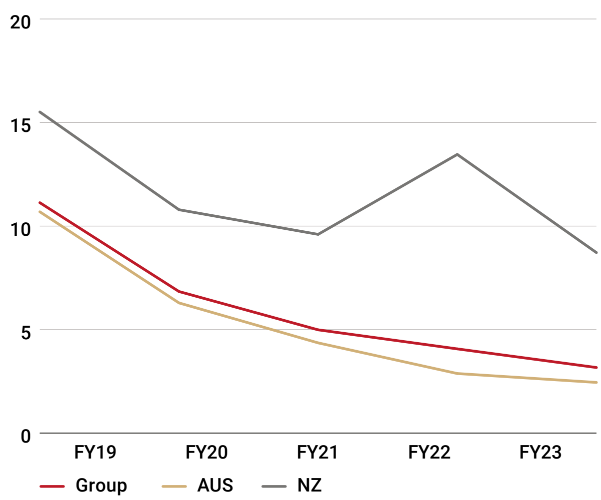
People Safety: Year-on-year TRIFR (unaudited)

TRIFR is the combined number of accepted lost time, and all medically treated injury claims per million hours worked.



Food Safety: Year-on-year CPmKg (unaudited)

Customer complaints per million kilograms CPmKg.



REMUNERATION REPORT – AUDITED (CONTINUED)

3. Overview of company performance (continued)

Five-year Total Shareholder Return (TSR) Performance (unaudited)

3.1 Actual Remuneration Table (non-statutory)

The remuneration earned by each Executive KMP in FY23 and FY22 is set out below. This information is relevant as it provides shareholders with a view of the remuneration 'paid or vested' to executives in FY23 for performance. This information has not been prepared in accordance with the accounting standards and differs from the statutory tables presented on page 88.

	YEAR	FIXED REMUN-ERATION[1] $000	STIP PAID[2] $000	TOTAL CASH $000	OTHER SHORT TERM BENEFITS[3] $000	STIP VESTED[4] $000	LTIP VESTED[5] $000	TOTAL ACTUAL REMUN-ERATION $000
CEO/MD								
Andrew Reeves	2023	1,183	–	1,183	27	88	–	1,298
	2022	1,100	88	1,188	22	–	–	1,210
Other Executive KMP								
Gary Mallett	2023	672	–	672	–	69	–	741
	2022	644	162	806	–	45	–	851
Total Actual 'Paid' Remuneration[6]	**2023**	**1,855**	**–**	**1,855**	**27**	**157**	**–**	**2,039**
	2022	**1,744**	**250**	**1,994**	**22**	**45**	**–**	**2,061**

(1) Fixed remuneration entitlements include salary, superannuation, annual leave and sick leave entitlements.

(2) STIP paid during the financial year. The amount disclosed for FY22 reflects the STIP paid in FY22 for FY21 performance. The amount disclosed for FY23 reflects the STIP paid in FY23 for FY22 performance.

(3) Other short term benefits include a company provided motor vehicle for the CEO/MD valued at $27,000 per annum.

(4) STIP vested represents the total value of deferred STIP rights in FY22 vested for FY21 performance.

(5) LTIP vested represents the portion of the grant date fair value of share rights vested. The amount recognised is adjusted to reflect the expected number of instruments that will vest for non-market based performance conditions. No adjustment for non-vesting is made for failure to achieve the relative TSR performance hurdle, as this is taken into account in the fair value at grant date.

(6) Prior year total remuneration paid has been adjusted to reflect the removal of Jonathan Gray as he ceased to be an Executive KMP. The role for NZ has been reclassified and is no longer an Executive KMP role.

REMUNERATION REPORT – AUDITED (CONTINUED)

4. Overview of executive remuneration

A. How we determine executive remuneration policies and structures

The Remuneration Governance Framework is designed to attract, motivate and retain high performing executives as well as to align executive remuneration with our purpose, ambition, values and behaviours so as to create value over the short, medium and long term for our shareholders and other stakeholders. The remuneration for the Executive Leadership Team (direct reports to the CEO/MD), including Executive KMP, is set on appointment to the role and reviewed annually. We set both fixed and total remuneration by considering a range of factors including experience, capabilities and performance in the role, relevant market data, talent availability and the role's impact. The variable components of Executive remuneration are closely linked to successful execution of strategic objectives, balancing delivery in both the short and long term and linking pay primarily to shareholder interests. The below table highlights the key principles supporting Ingham's remuneration framework.

PRINCIPLE	OBJECTIVE	APPLICATION
Competitive Remuneration	Reward Executives competitively for their contributions to Ingham's success, ensuring consistency with shareholder, community and consumer expectations.	• Total remuneration is based on the Executive's capabilities and experience. • Remuneration is benchmarked against appropriate peer companies and independent remuneration data from a variety of sources. • The Board approves recommendations on total remuneration packages for the Executive Leadership Team.
Performance Driven	Reward Executives for achieving business outcomes that support sustainable growth in shareholder value only when this is achieved through the expected behaviours.	• Variable rewards are intended to provide a robust link between remuneration outcomes and key drivers of long term shareholder value. • Variable rewards are designed to motivate strong performance against short term and long term performance objectives.
Behaviour Driven	Reward Executives for Ingham's performance when the manner in which this performance is achieved is aligned with Ingham's purpose, values and expected behaviours. Only when we achieve our results through these expected behaviours will Ingham's fully realise its strategic objectives.	• An Individual Multiplier has been applied to the STIP award to ensure the behaviours of each Executive are driven to create strong, sustainable performance for both the Company and shareholders. Our four values and 12 behaviours also help us to make better decisions, to achieve better outcomes and achieve our strategy. • All incentive awards are subject to malus and claw-back provisions to ensure that no rewards are received by Executives where the outcomes are materially misaligned with our values, code of conduct or other circumstances detailed on page 46.

REMUNERATION REPORT – AUDITED (CONTINUED)

4. Overview of executive remuneration (continued)

B. Our executive remuneration principles, policies and structures

Remuneration principles

- Contribute to Ingham's key strategic business objectives and desired business outcomes.
- Align the interest of employees with those of shareholders.
- Assist in attracting and retaining employees required to execute the business strategy by providing competitive remuneration and benefits.
- Manage risks in rewarding desired behaviours and balance of short and long term focus.
- Support Ingham's high-performance culture driven by desired leadership behaviours.
- Develop an ownership mindset.
- Be simple, clear and easily understood.

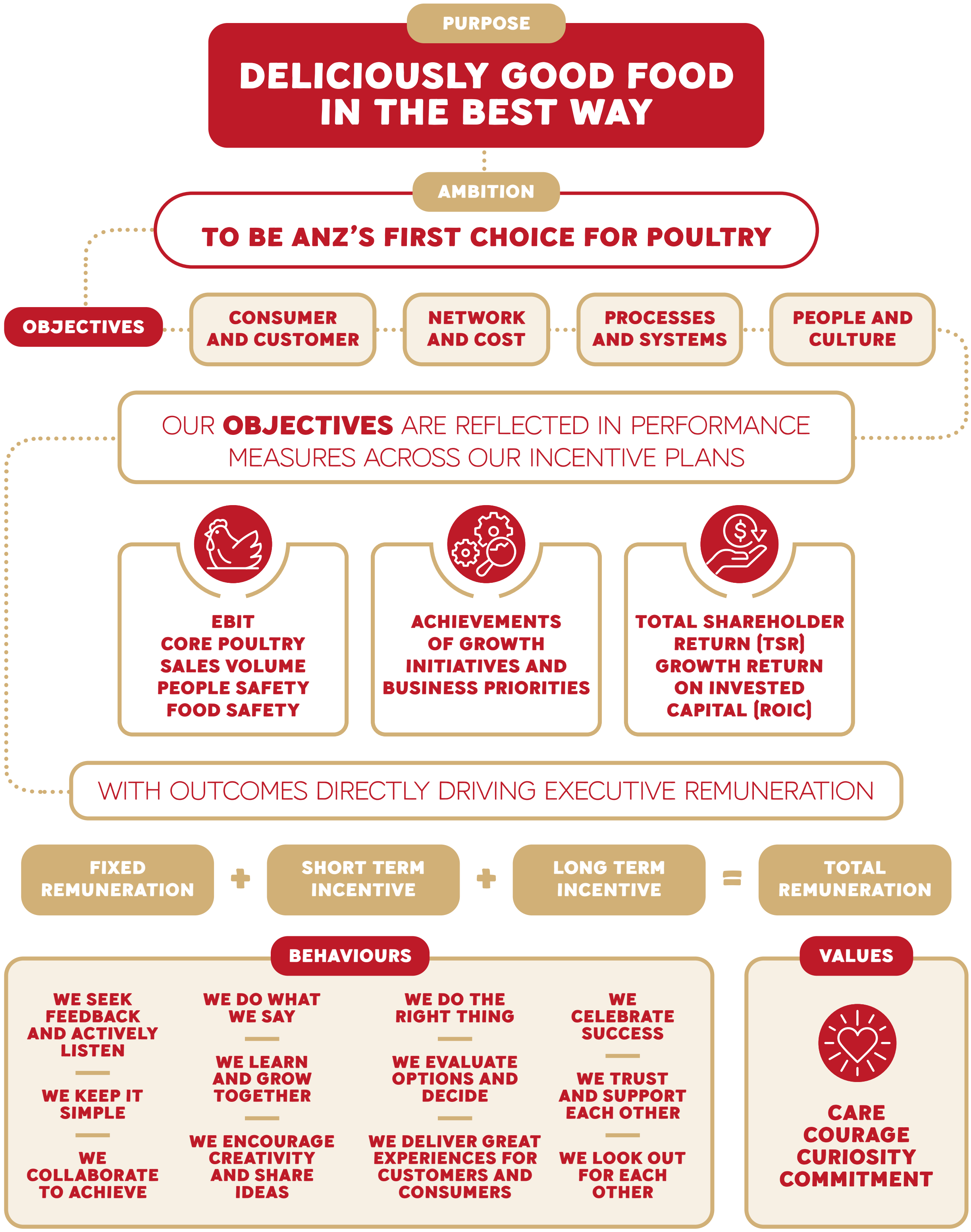
Ingham's Executive remuneration consists of Total Fixed Remuneration (TFR), short term incentives (with a deferral to rights component (called STIP)) and long term incentives in the form of performance rights (called LTIP).

Non-Executive Directors do not have a variable performance related component to their remuneration, hence none of their remuneration is at risk.

REMUNERATION REPORT – AUDITED (CONTINUED)

4. Overview of executive remuneration (continued)

Ingham's FY23 remuneration strategy and framework



REMUNERATION REPORT – AUDITED (CONTINUED)

4. Overview of executive remuneration (continued)

FY23 Short Term Incentive Plan

BALANCED SCORECARD

EBIT GATE > SAFETY MODIFIERS > FINANCIAL MEASURES (80%) + ESG NON-FINANCIAL MEASURES (20%) X INDIVIDUAL MULTIPLIER > STIP POOL MODIFIER > TOTAL STIP (CASH + DEFERRED RIGHTS)

FY23 – FY25 Long Term Incentive Plan

FY23-FY25 LTIP PERFORMANCE RIGHTS GRANT > ROIC (50%) + RELATIVE TSR (50%) > TOTAL LTIP (INGHAM'S ORDINARY SHARES)

Fixed to variable remuneration mix

The graphs below set out the remuneration mix for the CEO/MD and other Executive KMPs at Ingham's in FY23, illustrating the fixed and variable proportions of remuneration at target and maximum levels.

Executive KMP Remuneration Mix at Target

	TFR	STIP		LTIP
CEO/MD	TFR 36.4%	STIP 36.4%		LTIP 27.2%
		50% Cash	50% Deferred rights	Performance rights
CFO	TFR 54.1%	STIP 27.0%		LTIP 18.9%
		70% Cash	30% Deferred rights	Performance rights

Executive KMP Remuneration Mix at Maximum

	TFR	STIP		LTIP
CEO/MD	TFR 25.0%	STIP 37.5%		LTIP 37.5%
		50% Cash	50% Deferred rights	Performance rights
CFO	TFR 40.8%	STIP 30.6%		LTIP 28.6%
		70% Cash	30% Deferred rights	Performance rights

5. Executive remuneration framework and outcomes

Total Fixed remuneration (TFR)

TFR is comprised of base salary, salary sacrificed items and employer superannuation contributions, in line with statutory obligations.

TFR is reviewed annually taking into consideration:

- performance and experience in role;
- organisational level;
- role and responsibilities;
- impact on the business;
- commercial outputs;
- market benchmarking;
- recognition of desired behaviours; and
- risk management.

REMUNERATION REPORT – AUDITED (CONTINUED)

5. Executive remuneration framework and outcomes (continued)

In FY23, there was a thorough benchmarking process undertaken to assess Executive KMP remuneration. The Board determined there would be an increase of 9.1% to TFR for the CEO/MD and an increase of 4.0% for the CFO effective 1 September 2022, awarded to align to benchmarking market data.

INCUMBENT	POSITION	FY23 TFR	FY22 TFR	% CHANGE FROM FY22 TO FY23
Andrew Reeves	CEO/MD	$1,200,000	$1,100,000	9.1%
Gary Mallett	CFO	$676,000	$650,000	4.0%

Short Term Incentive Plan (STIP)

The STIP provides the Executive KMP and other senior members of the management team a cash or cash/equity incentive where specific outcomes have been achieved in the financial year. STIP payments are calculated as a percentage of total TFR, as per contractual arrangements and conditional on achieving performance objectives against key financial measures (underlying post AASB 16 EBIT and Core Poultry Sales Volume Growth), two non-financial measures (People Safety and Food Safety), and the individuals' overall performance to the achievement of our group strategic objectives.

Key features of the FY23 STIP

<table>
<tr><th>TERM</th><th>DESCRIPTION</th></tr>
<tr><td>Objective</td><td>To reward participants for achieving strategic business objectives in a manner consistent with our purpose, ambition, values and behaviours.</td></tr>
<tr><td>Participants</td><td>Executive KMP and invited senior management.</td></tr>
<tr><td>Performance Period</td><td>Financial year ended 24 June 2023.</td></tr>
<tr><td>Opportunity</td><td><table><tr><th>EXECUTIVE KMP</th><th>ON TARGET</th><th>MAXIMUM</th></tr><tr><td>CEO/MD</td><td>100% of TFR</td><td>150% of TFR</td></tr><tr><td>CFO</td><td>50% of TFR</td><td>75% of TFR</td></tr></table></td></tr>
<tr><td>Gate</td><td>For any STIP payment to be made, the financial threshold level of performance (underlying EBIT post AASB 16) must be met.</td></tr>
<tr><td>Modifiers</td><td>In the event of a significant people safety or food safety incident, (e.g. death, major injury, major loss of plant, consumer recall, etc.) the STIP payout on the safety metrics may be reduced to nil for all participants (20% of total balanced scorecard payout reduced to nil).

Board retains discretion to make further adjustments to STIP payout based on individual accountability.

To ensure any payout remains fully funded, the STIP pool modifier allows STIP payouts to be adjusted to remain within the available pool.</td></tr>
</table>

REMUNERATION REPORT – AUDITED (CONTINUED)

5. Executive remuneration framework and outcomes (continued)

Financial Measures (80% of balanced scorecard)

Ingham's financial performance is measured by the Group's underlying EBIT (post AASB 16) and Core Poultry Sales Volume growth.

Our underlying post AASB 16 EBIT (60% weighting) performance is measured at four levels:

	FULL YEAR TARGET	% OF TARGET STIP
Below Threshold	<$141.2 million	0%
Threshold	$141.2 million	30%
Target	$156.9 million	100%
Maximum	$172.6 million	120%

Our Core Poultry Sales Volume growth (20% weighting) performance is measured at three levels.

	FULL YEAR TARGET	% OF TARGET STIP
Below Target	<2.7% increase	0%
Target	increase of 2.7%	100%
Maximum	increase of 3.2%	120%

ESG Non-Financial Measures (20% of balanced scorecard)

The Board reviews the performance objectives against non-financial measures as these are key contributors to short, medium and long term sustainable value creation for the Company, shareholders and other stakeholders. The non-financial measures ensure the business prioritises community and consumer expectations for ensuring the safety of our employees and our products and to maintain our reputation as a high-quality food producer.

People Safety

The safety of our people across the business, be it Ingham's employees or contractors, is paramount to ensure we are conducting our business in the most ethical community-focused way. A safe and healthy workplace not only protects workers from injury and illness, it can also lower injury/illness costs, reduce absenteeism and turnover, increase productivity and quality, improve retention and raise employee morale.

ESG Non-Financial Measures (20% of balanced scorecard) (continued)

Our Group TRIFR (is the combined number of accepted lost time, and all medically treated injury claims per million hours worked) Year-On-Year (YOY) Reduction (10% weighting) performance is measured at two levels.

	FULL YEAR TARGET	% OF TARGET STIP
Target	5% reduction or a TRIFR of 4.85	100%
Maximum	7% reduction or a TRIFR of 4.75	120%

Food Safety

Reducing complaints is an organisational responsibility. Complaints have been selected as the STIP measure as the legal, reputational and financial implications have a direct impact on the company's performance, and therefore we ensure all facets of the business contribute to, and are invested in a successful outcome.

Our Customer Complaints (customer complaints per million kilograms CPmKg) YOY Reduction (10% weighting) performance is measured at two levels.

	FULL YEAR TARGET	% OF TARGET STIP
Target	5% reduction or a CPmKg of 4.27	100%
Maximum	7% reduction or a CPmKg of 4.18	120%

REMUNERATION REPORT – AUDITED (CONTINUED)

5. Executive remuneration framework and outcomes (continued)

TERM	DESCRIPTION
Individual Multiplier	This multiplier serves to link an individual's overall performance to the achievement of our group strategic objectives (Balanced Scorecard) by an executive behaving in line with our purpose, ambition, values and behaviours. Leading the business as a senior executive at Ingham's is about both an individual's contribution to business performance and leading through the right behaviours. Our leaders' behaviour drives our culture and the right behaviours drive enhanced business performance. MULTIPLIER **Rating:** Straight-line vesting from threshold performance to significant outperformance — **% Applied to Balance Scorecard Outcome** 0% to 125% The Individual Multiplier enables an Executive KMP to achieve the maximum opportunity of the award, as without this, the maximum award an executive can receive is 120% of the target. The multiplier acts in a way that can both increase or decrease the total final award. Any Individual Multiplier below 100% of target will decrease the total award, while the inverse is also true. Three examples of how the multiplier works are provided below: 1. 100/120 scorecard outcome is multiplied by a 125/125 Individual Multiplier outcome = final outcome of 83% of maximum. 2. 100/120 scorecard outcome is multiplied by a 75/125 Individual Multiplier outcome = final outcome of 50% of maximum. 3. 40/120 scorecard outcome is multiplied by a 75/125 Individual Multiplier outcome = final outcome of 20% of maximum. In the first two circumstances, the scorecard outcome remains the same, however, the Individual Multiplier determines the final quantum of the STIP award. Any final STIP award is subject to the performance gates, the balanced scorecard outcome and modifiers before taking these calculations into consideration.
Deferral	50% of CEO/MD and 30% of other Executive KMP payouts will be deferred into Ingham's equity rights (Rights) for 12 months subject to a 12-month service condition. The deferred component supports increased share ownership and is a risk management lever to facilitate Malus policy application during the deferral period. An amount of 25% of any vested equity award will need to be held for any relevant Executive KMP until the minimum shareholding requirement is met. Minimum shareholder requirements are detailed on page 89.
Payment Method	CEO/MD = 50% is paid as cash and the other 50% is awarded as Rights. Other KMP = 70% is paid as cash and the other 30% is awarded as Rights. Rights are deferred for a period of 12 months from the STIP payment date, 15 September 2023. Following the deferral period, the Rights are converted into Ingham's ordinary shares. Deferred Rights are equity grants which are not subject to any further performance conditions except continuous employment. The Rights will vest on 15 September 2024 and the fair value on the deferred Rights is calculated as the market price of Ingham's shares traded on the ASX on grant date of the deferred Rights. The Rights carry no voting or dividend rights. Shares once allocated carry the same voting and dividend rights as all other Ingham's ordinary shares.
Quantum of Rights	The final number of Rights awarded to each participant is calculated by dividing the face value of the deferred portion of their STIP award by the volume weighted average price (VWAP) of Ingham's shares traded on the ASX in the 10 days after 17 August 2023 (the announcement date of Ingham's FY23 annual results).

REMUNERATION REPORT – AUDITED (CONTINUED)

5. Executive remuneration framework and outcomes (continued)

TERM	DESCRIPTION
Discretion	At all times, the Board may exercise discretion on STIP payments. Discretion will only be applied in a manner that aligns the experience of both the Company and shareholders. Any discretion applied will be disclosed and explained in the Remuneration Report.
Cessation of employment	The following are circumstances where the Rights will be lapsed or forfeited, unless the Board determines otherwise: • where employment ends before the completion of the deferral period, or • where a notice of resignation is given before the completion of the deferral period, even where employment will end after the completion of the deferral period, or • if while during employment it is found that an employee has engaged in any misconduct, or serious breach of policy, or conduct that brings Ingham's into disrepute, including where such conduct is discovered post the ending of employment and prior to the date the shares are awarded, or • any other circumstance which in the Board's judgement warrants the Rights to be lapsed or forfeited.

Where an Executive KMP's exit is related to any other reason (e.g. retrenchment, retirement or death), the Executive remains eligible on a pro-rata basis where applicable (unless the Board determines otherwise) to be considered for a STIP award with regard to actual performance against performance measures (as determined by the Board in the ordinary course following the end of the performance period).

STIP outcomes for FY23

In determining the Executive KMP remuneration outcomes this year and how these outcomes will be delivered, the Board has considered the needs and expectations of various stakeholders, the business performance and the efforts undertaken by management to continue to trade through a year of extraordinary challenge. The Board has not exercised discretion on the STIP outcomes for FY23.

FY23 Balanced Scorecard Outcome

<table>
<tr><th>TYPE OF PERFORMANCE MEASURE AND WEIGHTING AT TARGET</th><th colspan="2">EXECUTIVE KMP PERFORMANCE MEASURE</th><th>TARGETS</th><th>FY23 ACTUAL PERFORMANCE</th><th>SCORECARD OUTCOME</th></tr>
<tr><td rowspan="2">Group Financial
80% of balanced scorecard</td><td colspan="2">Group underlying EBIT (post AASB 16)
(60%)</td><td>Threshold = $141.2 million
Target = $156.9 million
Maximum = $172.6 million</td><td>Group underlying EBIT (post AASB 16) = $165.5 million</td><td>111% outcome achieved for EBIT post AASB 16</td></tr>
<tr><td colspan="2">Core Poultry Sales Volume Growth
(20%)</td><td>Target = increase of 2.7%
Maximum = increase of 3.2%</td><td>Core Poultry Sales Volume decline of 0.4%</td><td>0% outcome achieved for Core Poultry Sales Volume Growth</td></tr>
<tr><td rowspan="2">ESG Non-Financial Strategic Goals include
20% of balanced scorecard</td><td rowspan="2">Safety</td><td>People Safety (TRIFR)
(10%)</td><td>Target = TRIFR of 4.85
Maximum = TRIFR of 4.75</td><td>TRIFR of 4.75</td><td>Maximum 120% outcome achieved for People Safety</td></tr>
<tr><td>Food Safety (Customer Complaints)
(10%)</td><td>Target = CPmKg of 4.27
Maximum = CPmKg of 4.18</td><td>Customer complaints or a CPmKg of 3.22</td><td>Maximum 120% outcome achieved for Food Safety</td></tr>
</table>

REMUNERATION REPORT – AUDITED (CONTINUED)

5. Executive remuneration framework and outcomes (continued)

Overall FY23 STIP Outcome Calculation

For the Executive KMP detailed below, the Board assessed that the results for both individual contribution to business performance and leading through the right behaviours for Andrew Reeves which resulted in a 100% out of a maximum of 125% outcome for the Individual Multiplier and for Gary Mallett resulted in a 100% out of a maximum of 125% outcome for the Individual Multiplier.

EXECUTIVE KMP	SCORECARD OUTCOME (% OF THE MAXIMUM SCORE)	INDIVIDUAL MULTIPLIER (% OF THE MAXIMUM SCORE)	OVERALL INDIVIDUAL STIP OUTCOME (APPLIED AGAINST MAXIMUM STIP)	OVERALL INDIVIDUAL STIP OUTCOME AS A % OF TFR
Andrew Reeves	90.6/120 = **75.5%**	100/125 = **80.0%**	75.5% multiplied by 80.0% = **60.4%**	**90.6% of TFR** awarded out of a **maximum of 150% of TFR**
Gary Mallett	90.6/120 = **75.5%**	100/125 = **80.0%**	75.5% multiplied by 80.0% = **60.4%**	**45.3% of TFR** awarded out of a **maximum of 75% of TFR**

FY23 STIP Awarded

EXECUTIVE KMP	STIP TARGET $	STIP MAXIMUM $	TOTAL STIP AWARDED $	STIP CASH AWARDED $	STIP RIGHTS AWARDED $[1]	FORFEIT AGAINST STIP MAXIMUM $	FORFEITED % AGAINST STIP MAXIMUM
Andrew Reeves	1,200,000	1,800,000	1,087,200	543,600	543,600	712,800	39.60%
Gary Mallett	338,000	507,000	306,228	214,360	91,868	200,772	39.60%

(1) The estimated number of rights is calculated by dividing the face value of their award by the volume weighted average price (VWAP) of Ingham's shares traded on the ASX in the 10 days after grant date.

Long Term Incentive Plans

FY23-FY25 LTIP Offer

The FY23-FY25 LTIP Offer has been made to the following current Executive KMP, subject to shareholder approval. The below table outlines the key terms of the Offer:

Eligibility to participate in LTIP Offer	Offers may be made at the Board's discretion to employees of Ingham's or any other person the Board determines to be eligible to receive a grant under the Plan. The FY23-FY25 LTIP Offer has been made to the following current Executive KMP, subject to shareholder approval: • Andrew Reeves (CEO/MD), (150% of TFR at Maximum); and • Gary Mallett (CFO), (70% of TFR at Maximum).
Offers under the Plan	The LTIP Offer is a grant of performance rights.
Grant of Rights	A Right entitles the participant to acquire an Ingham's share for nil consideration at the end of the performance period, subject to meeting specific performance conditions. The Board retains the discretion to make a cash payment to participants on vesting of the Rights in lieu of an allocation of shares.
Quantum of Rights	The aggregate face value at maximum of the LTIP Offer to all participants (Executive KMP and Senior Management) is $6.6 million. The final number of Rights awarded to each participant was calculated by dividing the face value of their LTIP award by $2.6157, being the volume weighted average price (VWAP) of Ingham's shares traded on the ASX in the 10 days after 19 August 2022 (the announcement date of Ingham's FY22 annual results).
Performance Period	Three years, commencing on 26 June 2022 and ending on or about 1 July 2025.

REMUNERATION REPORT – AUDITED (CONTINUED)

5. Executive remuneration framework and outcomes (continued)

Performance conditions

Relative TSR (50% of Award)

For this component, the Company's relative TSR will be compared to a comparator group comprising the ASX Small Ordinaries and vest according to the following schedule:

COMPANY'S RELATIVE TSR RANK IN THE COMPARATOR GROUP OVER PERFORMANCE PERIOD	% OF RIGHTS THAT VEST
Less than 50th percentile	Nil
At 50th percentile (threshold)	50%
Between 50th and 75th percentile	Straight line pro rata Vesting between 50% and 100%
At 75th percentile or above	100%

Return on invested capital (50% of award)

For this component, the Company's underlying Return on Invested Capital pre AASB 16 ("ROIC") will be calculated as the equivalent of net operating profit after tax divided by average invested capital (2 point average). The Company's ROIC for each of the three years forming the performance period will be averaged to provide an overall outcome, with ROIC performance targets set out below (rather than retrospectively), following shareholder feedback.

The Board reserves discretion to make adjustments to ROIC in exceptional circumstances, such as to take account of corporate actions undertaken by the Company.

The level of vesting of this component will be determined according to the following schedule:

COMPANY'S ROIC OUTCOME	% OF RIGHTS THAT VEST
Less than Threshold	Nil
At Threshold of 16.1% p.a.	50%
Between Threshold and Target	Straight line pro rata Vesting between 50% and 75%
At Target	75%
Between Target and Maximum	Straight line pro rata Vesting between 75% and 100%
At Maximum of 21.0% p.a. or more	100%

Voting and dividend entitlements

Performance rights granted under the LTIP do not carry dividend or voting rights prior to vesting. Shares allocated upon vesting of performance rights carry the same dividend and voting rights as other Ingham's shares.

Re-testing

Performance will not be re-tested if the performance conditions are not satisfied at the end of the performance period. Any Rights that remain unvested at the end of the performance period will lapse immediately.

Restrictions on dealing

The Executive KMP must not sell, transfer, encumber, hedge or otherwise deal with performance rights. The Executive KMP will be free to deal with the shares allocated on vesting of the performance rights, subject to the requirements of Ingham's Securities Dealing Policy at that time.

A minimum amount of 25% of any vested equity award will need to be held for any relevant Executive KMP until the minimum shareholding requirement is met. Minimum shareholder requirements are detailed on page 89.

Change of control

Under the Plan rules and the terms of the LTIP awards, the Board may determine in its absolute discretion that some or all of the Executive KMP performance rights will vest on a likely change of control.

In the event of an actual change in the control of the Company then, unless the Board determines otherwise, all unvested performance rights will immediately vest or cease to be subject to restrictions (as applicable) on a pro rata basis based on the portion of the vesting period that has elapsed.

REMUNERATION REPORT – AUDITED (CONTINUED)

5. Executive remuneration framework and outcomes (continued)

Clawback	Under the Plan rules and the terms of the LTIP awards, the Board has claw back powers which it may exercise if, among other things: • the Executive KMP has acted fraudulently or dishonestly; • has engaged in gross misconduct, brought Ingham's, the Inghams Group or any Inghams Group company into disrepute or breached their obligations to the Inghams Group; • Ingham's is required by or entitled under law or Ingham's policy to reclaim remuneration from the Executive KMP; • there is a material misstatement or omission in the accounts of an Inghams Group company; or • the Executive KMP entitlements vest or may vest as a result of the fraud, dishonesty or breach of obligations of any other person and the Board is of the opinion that the performance rights would not have otherwise vested.
Cessation of employment	If the participant ceases employment for cause or due to their resignation, unless the Board determines otherwise, any unvested Rights will automatically lapse. The Board has the discretion to designate a 'good leaver', whereby Rights will not automatically lapse. In all other circumstances, the Rights will be pro-rated (based on the proportion of the performance period that has elapsed) and remain on foot and subject to the original performance conditions, unless the Board exercises a discretion to treat them otherwise.
Fair Value	The fair value of the LTIP offer at grant date was determined using an adjusted form of Black Scholes model for the TSR component. The ROIC component is valued using a discounted cashflow technique. The weighted average grant date fair value of rights granted in the year was $1.98. The model inputs for performance rights granted during the year ended included: a) Exercise price $Nil (2022: $Nil, 2021: $Nil) b) Share price at grant date $2.69 (2022: $3.60, 2021: $3.71) c) Expected price volatility 29% (2022: 33%, 2021: 33%) d) Expected dividend yield 4.0% (2022: 4.6%, 2021: 4.3%) e) Risk-free interest rate 4.07% (2022: 0.81%, 2021: 0.014%)

LTIP Outcomes during FY23

Performance against LTIP measures FY21-23

FY21-23 LTIP vesting outcomes

The FY21-FY23 LTIP scheme was tested for eligibility on 1 July 2023. The ROIC performance was below threshold and resulted in all ROIC-based rights lapsing. The TSR performance was at the 23rd Percentile, which resulted in all of the TSR-based rights lapsing.

The total amount that vested is 0.0% of total rights granted.

The details of the outcomes against the relative TSR hurdles is set out below.

Relative TSR Hurdle:

COMPANY'S TSR RANK IN THE RELEVANT COMPARATOR GROUP	% OF RIGHTS THAT VEST
Less than 50th percentile	Nil
At 50th percentile	50%
Between 50th and 75th percentile	Straight line pro-rata vesting between 50% and 100%
At 75th percentile	100%
Outcome:	
TSR percentile rank at the 23rd percentile	0.0% vesting

REMUNERATION REPORT – AUDITED (CONTINUED)

5. Executive remuneration framework and outcomes (continued)

ROIC Hurdle:

COMPANY'S UNDERLYING PRE AASB 16 ROIC	% OF RIGHTS THAT VEST
Less than Threshold 19.0%	Nil
At Threshold 19.0%	50%
Between Threshold 19.0% and Maximum 23.2%	Straight line pro-rata vesting between 50% and 100%
At Maximum 23.2%	100%
Outcome:	
Underlying pre AASB 16 *ROIC* is below threshold	0.0% vesting

The following outcome of the FY21-23 LTIP applies:

EXECUTIVE KMP	LTIP RIGHTS GRANTED	LTIP RIGHTS VESTED	LTIP RIGHTS FORFEITED
Andrew Reeves[1]	–	–	–
Gary Mallett[2]	128,368	–	128,368

(1) Andrew Reeves joined as CEO/MD on 29 March 2021 therefore was not granted FY21-FY23 LTIP.
(2) Gary Mallett granted FY21-FY23 LTIP on 1 June 2021.

One-Off performance rights

The one-off performance rights approved at the 2022 AGM. The below table outlines the key terms of the Offer:

Quantum of Rights	For the CEO/MD, 367,015 performance rights, representing a One-Off award with a face value of $960,000 (being 80% of the CEO/MD's TFR for the relevant financial year). For the CFO, 193,830 performance rights, representing a One-Off award with a face value of $507,000 (being 75% of the CFO's TFR for the relevant financial year). The number of performance rights granted under the One-Off award was calculated by dividing the face value opportunity by $2.6157, being the volume weighted average price of Ingham's shares traded on the ASX in the 10 trading days after 19 August 2022 (the announcement date of Ingham's FY22 annual results). The actual value that the plan participants will receive (if any) will depend on whether the performance conditions are achieved.
Performance Period	Three years, commencing on 19 August 2022 and ending on or about 19 August 2025.
Performance testing	Performance rights will vest at the end of the relevant performance period, subject to the satisfaction of the performance conditions. Performance will not be re-tested if the performance conditions are not satisfied at the end of the relevant performance period. Any performance rights that remain unvested at the end of the relevant performance period will lapse immediately.
Performance conditions	The One-Off performance rights are subject to the satisfaction of an absolute total shareholder return (Absolute TSR) performance condition. **Absolute TSR (100% of Award)** The Company's Absolute TSR performance will be measured according to the following schedule:

COMPANY'S ABSOLUTE TSR PERFORMANCE SCORECARD	% OF RIGHTS THAT VEST
Below 10% p.a. Absolute TSR	Nil
10% p.a. Absolute TSR	30%
Between 10% p.a. and 20% p.a. Absolute TSR	Straight line pro rata Vesting between 30% and 100%
Above 20% p.a. Absolute TSR	100%

REMUNERATION REPORT – AUDITED (CONTINUED)

5. Executive remuneration framework and outcomes (continued)

Vesting price	The vesting price used to measure the Absolute TSR will be the 10-day VWAP following the vesting date, with no retesting of the VWAP allowed.
Voting and dividend entitlements	Performance rights granted under the One-Off award do not carry dividend or voting rights prior to vesting. Shares allocated upon vesting of performance rights carry the same dividend and voting rights as other Ingham's shares.
Holding period	Subject to the performance rights vesting, any shares allocated to the participants will be subject to a further one year holding period.
Cessation of employment	If the participant ceases employment for cause or due to their resignation, unless the Board determines otherwise, any unvested performance rights will automatically lapse. In the event of retirement, any unvested performance rights will automatically lapse. In all other circumstances, the performance rights remain on foot and subject to the original performance conditions, unless the Board exercises a discretion to treat them otherwise. Where the Board considers the participant to be a 'good leaver' (e.g. leaving employment for significant medical reasons), generally all performance rights are expected to be left on foot subject to any original performance conditions. Otherwise, it is expected that the Board will exercise discretion for the performance rights will be prorated (based on the proportion of the performance period that has elapsed), with the remainder staying on foot and subject to any original performance conditions.
Change of Control	Under the Plan rules and the terms of the One-Off award, the Board may determine in its absolute discretion that some or all of the participant's performance rights will vest on a likely change of control. In the event of an actual change in the control of the Company then, unless the Board determines otherwise, all unvested performance rights will immediately vest or cease to be subject to restrictions (as applicable) on a pro rata basis based on the portion of the vesting period that has elapsed.
Clawback	Under the Plan rules and the terms of the One-Off award, the Board has clawback powers which it may exercise if, among other things: • the participant has acted fraudulently or dishonestly; • has engaged in gross misconduct, brought Ingham's, the Inghams Group or any Inghams Group company into disrepute or breached their obligations to the Inghams Group; • Ingham's is required by or entitled under law or Ingham's policy to reclaim remuneration from the participant; • there is a material misstatement or omission in the accounts of an Inghams Group company; or • the participant's entitlements vest or may vest as a result of the fraud, dishonesty or breach of obligations of any other person and the Board is of the opinion that the performance rights would not have otherwise vested.
Restrictions on dealing	The participant must not sell, transfer, encumber, hedge or otherwise deal with performance rights. The participant will be free to deal with the shares allocated on vesting of the performance rights and after the required holding period, subject to the requirements of Ingham's Securities Dealing Policy.
Minimum shareholding	Shareholding requirement the CEO/MD needs to hold is a minimum of 100% of TFR and other Executive KMP needs to hold is a minimum of 50% of TFR. A minimum amount of 25% of any vested equity award will need to be held for any relevant Executive KMP until the minimum shareholding requirement is met. Minimum shareholder requirements are detailed on page 89. The minimum shareholding will need to be achieved after five years following the minimum shareholding requirements being implemented in FY22 and we expect significant progress by the end of three years.

REMUNERATION REPORT – AUDITED (CONTINUED)

5. Executive remuneration framework and outcomes (continued)

Other terms of the One Off Plan	The Board may amend or waive terms under the Plan, subject to the ASX Listing Rules. Subject to the ASX Listing Rules, the Board may make such adjustments to rights awarded under the Plan as the Board considers appropriate in order to minimise or eliminate any material advantage or disadvantage to the participant resulting from a corporate action such as a capital raising or capital reconstruction. The Board will assess overall performance at the end of the performance period and may adjust the award outcome (including to zero) to reflect broader performance considerations and alignment to the shareholder experience and performance expectations.
Fair Value	The fair value of the one-off performance plan offer at grant date is $1.09. The model inputs for performance rights granted during the year ended included: a) Share price at grant date $2.77 b) Expected price volatility 33.0% c) Expected dividend yield 4.0% d) Risk-free interest rate 3.21%

6. Other key information

Executive Employment Agreements

Key terms of the Executive Service Agreements for the CEO/MD and other Executive KMP members are presented in the table below:

EXECUTIVE KMP	POSITION	CONTRACT DURATION	NOTICE PERIOD	TERMINATION PAYMENTS APPLICABLE
Andrew Reeves	CEO/MD	Unlimited	12 months	Up to 12 months fully paid
Gary Mallett	CFO	Unlimited	6 months	Up to 6 months fully paid

7. Overview of non-executive director remuneration

The details of fees paid to Non-Executive Directors in FY23 are outlined in section 8 of this Remuneration Report. Non-Executive Directors' fees were fixed, and they did not receive any performance-based remuneration.

The table below outlines the fee structure for Non-Executive Directors in FY23 (inclusive of superannuation as applicable). There were no changes to the fees in FY23. The annual aggregate fee pool for Non-Executive Directors is capped at $2.0 million. Board and committee fees inclusive of statutory superannuation contributions are included in this aggregate fee pool.

BOARD FEES	FY23
Chair	$350,000 (no additional committee fees)
Non-Executive Director	$140,000

COMMITTEE FEES		
Finance and Audit	Chair	$20,000
People and Remuneration	Chair	$20,000
Risk and Sustainability	Chair	$20,000
Nomination	Chair/Member	–
Committee Fees	Membership per committee	$10,000

REMUNERATION REPORT – AUDITED (CONTINUED)

8. Statutory and share-based reporting

A. Director and Executive KMP remuneration for the year ended 24 June 2023

The following tables of Director and Executive KMP remuneration has been prepared in accordance with accounting standards and the *Corporations Act 2001* requirements, for the period from 26 June 2022 to 24 June 2023. Share-based payments are calculated as deferred STIP and LTIP awards.

		SHORT TERM BENEFITS			LONG TERM/ POST-EMPLOYMENT BENEFITS		SHARE-BASED PAYMENTS			
	YEAR	SALARY AND FEES[1] $000	STIP BONUS $000	MONETARY BENEFITS[2] $000	SUPERANNUATION $000	LONG SERVICE LEAVE $000	PERFORMANCE RIGHTS[3] $000	DEFERRED BENEFITS[4] $000	TOTAL REMUNERATION $000	PERFORMANCE RELATED $000
Non-Executive Directors										
Helen Nash	2023	300	–	–	24	–	–	–	324	–
	2022	145	–	–	15	–	–	–	160	–
Peter Bush	2023	54	–	–	4	–	–	–	58	–
	2022	326	–	–	24	–	–	–	350	–
Rob Gordon	2023	144	–	–	15	–	–	–	159	–
	2022	136	–	–	14	–	–	–	150	–
Michael Ihlein	2023	155	–	–	16	–	–	–	171	–
	2022	180	–	–	–	–	–	–	180	–
Timothy Longstaff	2023	149	–	–	11	–	–	–	160	–
	2022	61	–	–	6	–	–	–	67	–
Jackie McArthur	2023	154	–	–	16	–	–	–	170	–
	2022	155	–	–	15	–	–	–	170	–
Linda Bardo Nicholls AO	2023	147	–	–	13	–	–	–	160	–
	2022	155	–	–	15	–	–	–	170	–
Robyn Stubbs	2023	166	–	–	–	–	–	–	166	–
	2022	67	–	–	–	–	–	–	67	–
Sub-total Non-Executive Directors' Remuneration	**2023**	**1,269**	**–**	**–**	**99**	**–**	**–**	**–**	**1,368**	**–**
	2022	**1,225**	**–**	**–**	**89**	**–**	**–**	**–**	**1,314**	**–**
CEO/MD										
Andrew Reeves	2023	1,158	600	27	25	20	479	300	2,609	1,379
	2022	1,076	–	22	24	17	348	44	1,531	392
Sub-total Directors' Actual Remuneration	**2023**	**1,158**	**600**	**27**	**25**	**20**	**479**	**300**	**2,609**	**1,379**
	2022	**1,076**	**–**	**22**	**24**	**17**	**348**	**44**	**1,531**	**392**
Other Executive KMP										
Gary Mallett	2023	647	237	–	25	11	52	51	1,023	340
	2022	620	–	–	24	11	18	35	708	53
Total Other Executive KMP Remuneration	**2023**	**647**	**237**	**–**	**25**	**11**	**52**	**51**	**1,023**	**340**
	2022	**620**	**–**	**–**	**24**	**11**	**18**	**35**	**708**	**53**
Total Directors' and Executive Executive KMP Remuneration[5]	**2023**	**3,074**	**837**	**27**	**149**	**31**	**531**	**351**	**5,000**	**1,719**
	2022	**2,921**	**–**	**22**	**137**	**28**	**366**	**79**	**3,553**	**445**

(1) Salary and fees are inclusive of salary and annual leave entitlements.

(2) Monetary benefits represents a company provided motor vehicle for the CEO/MD valued at $27,000 per annum.

(3) The LTIP award is subject to 50% Relative TSR and 50% ROIC performance hurdles. For further details of performance hurdles and conditions refer to section 5 on pages 77 to 87.

(4) Deferred benefits include deferred equity incentives.

(5) Prior year total remuneration paid has been adjusted to reflect the removal of Johnathan Gray as he ceased to be an Executive KMP. The role for NZ has been reclassified and is no longer be an Executive KMP role.

REMUNERATION REPORT – AUDITED (CONTINUED)

8. Statutory and share-based reporting (continued)

B. Rights awarded, vested and lapsed during the year

The table below discloses the number of rights granted, vested or lapsed during the year. Rights do not carry any voting or dividend rights and can only be exercised once the vesting conditions have been met, until their expiry date.

		NO. OF RIGHTS AWARDED DURING THE YEAR	AWARD DATE	FAIR VALUE PER RIGHT AT GRANT DATE ($)	VESTING DATE	VALUE OF RIGHTS GRANTED DURING THE YEAR ($000)	NO. RIGHTS VESTED DURING THE YEAR	NO. RIGHTS LAPSED/ FORFEITED DURING THE YEAR
Andrew Reeves	FY21 STIP	–	15 Sep 2021[1]	4.04	15 Sep 2022	–	21,763	–
	One-off Plan	367,015	17 Nov 2022	1.09	19 Aug 2025	400	–	–
	FY23-FY25 LTIP[3]	688,152	21 Jun 2023[2,3]	1.98	1 Jul 2025	1,363	–	–
Gary Mallett	FY21 STIP	–	15 Sep 2021[1]	4.04	15 Sep 2022	–	17,183	–
	One-off Plan	193,830	27 Sep 2022	1.09	19 Aug 2025	211	–	–
	FY23-FY25 LTIP[3]	180,907	21 Jun 2023[2,3]	1.98	1 Jul 2025	358	–	–

(1) Deferred rights were granted on 15 September 2021 subsequent to the calculation of the volume weighted average price of Ingham's shares traded on the ASX, 10 days after 20 August 2021. The fair value of the deferred rights is calculated as the market price of Ingham's shares traded on the ASX on grant date of the deferred rights.

(2) The fair value of the LTIP offer at grant date was determined using an adjusted form of the Black Scholes Model. Fair value on performance rights is a weighted average of rights values under the ROIC and TSR portion of the awards.

(3) The FY23-FY25 LTIP Offer has been made to Andrew Reeves and Gary Mallet, subject to shareholder approval.

C. Performance rights holdings of Directors and Executive KMP

	BALANCE 25 JUNE 2022	GRANTED AS REMUN-ERATION	RIGHTS VESTED	RIGHTS LAPSED/ FORFEITED	BALANCE 24 JUNE 2023
Andrew Reeves	430,098	1,055,167	(21,763)	–	1,463,502
Gary Mallett[1]	258,152	374,737	(17,183)	–	615,706
Total	**688,250**	**1,429,904**	**(38,946)**	**–**	**2,079,208**

(1) The FY21-FY23 LTIP scheme was tested for eligibility on 1 July 2023 and both the ROIC and TSR based rights did not meet the performance threshold, and hereby a total of 128,368 rights lapsing for Gary Mallet on 1 July 2023.

D. Minimum Shareholding Requirements

The shareholding requirement of Non-Executive Directors is a minimum shareholding of 100% of their Board fees and for the CEO/MD a minimum of 100% of TFR and other KMP 50% of TFR. The minimum shareholding will need to be achieved after 5 years of their appointment or 5 years after the minimum shareholding requirements were implemented in FY22. To assist with achieving the minimum shareholding requirement an amount of 25% of any vested equity award will need to be held for any relevant KMP until the minimum shareholding requirement is met.

REMUNERATION REPORT – AUDITED (CONTINUED)

8. Statutory and share-based reporting (continued)

E. Shareholdings of Directors and KMP

	BALANCE 25 JUNE 2022	GRANTED AS REMUN-ERATION	ON EXERCISE OF RIGHTS/ OPTIONS	NET CHANGE OTHER	BALANCE 24 JUNE 2023
Non-Executive Directors					
Helen Nash	54,259	–	–	37,694	91,953
Rob Gordon	25,772	–	–	20,000	45,772
Michael Ihlein	45,455	–	–	–	45,455
Timothy Longstaff	29,850	–	–	–	29,850
Jackie McArthur	26,823	–	–	3,865	30,688
Linda Bardo-Nicholls AO	47,869	–	–	7,977	55,846
CEO					
Andrew Reeves	22,800	21,763	–	–	44,563
Other Executive KMP					
Gary Mallett	13,384	17,183	–	–	30,567
Total	**266,212**	**38,946**	**–**	**69,536**	**374,694**

Signed in accordance with a resolution of the directors made pursuant to s298(2) of the *Corporations Act 2001*.

Helen Nash
Chair

Michael Ihlein
Non-Executive Director

Sydney
17 August 2023

LEAD AUDITOR'S INDEPENDENCE DECLARATION

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Inghams Group Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Inghams Group Limited for the financial year ended 24 June 2023 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Julie Cleary
Partner

Sydney

17 August 2023

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 24 JUNE 2023

	NOTES	52 WEEKS ENDED 24 JUNE 2023 $000	52 WEEKS ENDED 25 JUNE 2022 $000
Revenue	3	**3,044,000**	**2,713,100**
Other income	4(a)	**3,200**	**400**
Expenses			
Cost of sales		(2,532,700)	(2,307,600)
Distribution		(201,300)	(175,700)
Administration and selling		(163,300)	(130,800)
Operating profit		**149,900**	**99,400**
Finance income and costs			
Finance income		2,400	500
Finance costs		(78,600)	(65,600)
Net finance costs	4(c)	**(76,200)**	**(65,100)**
Share of net profit of associate	23	400	400
Profit before income tax		**74,100**	**34,700**
Income tax (expense)/benefit	5(a)	(13,700)	400
Profit for the year attributable to: Owners of Inghams Group Limited		**60,400**	**35,100**
Basic EPS (cents per share)	26	16.3	9.5
Diluted EPS (cents per share)	26	16.2	9.4

The above consolidated income statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 24 JUNE 2023

	NOTES	52 WEEKS ENDED 24 JUNE 2023 $000	52 WEEKS ENDED 25 JUNE 2022 $000
Profit for the year		**60,400**	**35,100**
Other comprehensive income			
Items that have been reclassified to profit or loss			
Changes in the fair value of cash flow hedges		(12,100)	2,300
Tax on changes in fair value of cash flow hedges		3,100	(700)
Total items that have subsequently been reclassified to profit or loss		**(9,000)**	**1,600**
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	18(a)	700	(2,800)
Changes in the fair value of cash flow hedges	18(a)	9,000	12,800
Tax on changes in fair value of cash flow hedges	18(a)	–	(3,800)
Total items that may subsequently be reclassified to profit or loss		**9,700**	**6,200**
Items that will not be reclassified to profit or loss			
Revaluation of land and buildings		–	12,500
Tax on revaluation of land and buildings		–	(2,700)
Total items that will not be reclassified to profit or loss		**–**	**9,800**
Total comprehensive income for the year, attributable to: **Owners of Inghams Group Limited**		**61,100**	**52,700**

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 24 JUNE 2023

	NOTES	24 JUNE 2023 $000	25 JUNE 2022 $000
ASSETS			
Current assets			
Cash and cash equivalents	6	136,300	131,600
Trade and other receivables	7	268,100	221,700
Biological assets	8	159,800	135,600
Inventories	9	220,700	238,700
Derivative financial instruments	15	2,200	5,600
Current tax receivable		–	1,400
Total current assets		**787,100**	**734,600**
Non-current assets			
Property, plant and equipment	10	493,800	477,300
Investments accounted for using the equity method	23	2,300	2,300
Right-of-use assets	11	1,275,600	1,319,400
Derivative financial instruments	15	1,200	5,400
Deferred tax asset	5(c)	14,300	3,900
Total non-current assets		**1,787,200**	**1,808,300**
Total assets		**2,574,300**	**2,542,900**
LIABILITIES			
Current liabilities			
Trade and other payables	12	462,100	452,600
Current tax liability		3,000	–
Provisions	14	98,300	97,000
Lease liabilities		154,600	186,700
Total current liabilities		**718,000**	**736,300**
Non-current liabilities			
Trade and other payables	12	4,300	2,900
Borrowings	13	398,800	398,900
Provisions	14	37,500	29,700
Lease liabilities		1,213,900	1,216,900
Total non-current liabilities		**1,654,500**	**1,648,400**
Total liabilities		**2,372,500**	**2,384,700**
Net assets		**201,800**	**158,200**
Equity			
Contributed equity	16(a)	109,300	108,800
Reserves	18(a)	47,400	46,100
Retained earnings		45,100	3,300
Total equity		**201,800**	**158,200**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 24 JUNE 2023

		ATTRIBUTABLE TO OWNERS OF INGHAMS GROUP LIMITED				
	NOTES	CONTRI-BUTED EQUITY $000	RETAINED EARNINGS/ (ACCUMU-LATED LOSSES) $000	ASSET REVAL-UATION RESERVE $000	OTHER RESERVES $000	TOTAL EQUITY $000
Balance at 27 June 2021		**108,100**	**24,700**	**9,000**	**21,800**	**163,600**
Profit for the year		–	35,100	–	–	35,100
Other comprehensive income	18(a)	–	–	9,800	7,800	17,600
Total comprehensive income		**–**	**35,100**	**9,800**	**7,800**	**52,700**
Transfer of reserves		**–**	**1,100**	**(1,100)**	**–**	**–**
Transactions with owners of the Company						
Dividends provided for or paid	17	–	(57,600)	–	–	(57,600)
Settlement of share plan		(500)	–	–	–	(500)
Transfer of shares for settlement of share plan		1,200	–	–	(1,200)	–
		700	(57,600)	–	(1,200)	(58,100)
Balance at 25 June 2022		**108,800**	**3,300**	**17,700**	**28,400**	**158,200**
Balance at 26 June 2022		**108,800**	**3,300**	**17,700**	**28,400**	**158,200**
Profit for the year		–	60,400	–	–	60,400
Other comprehensive income	18(a)	–	–	–	700	700
Total comprehensive income		**–**	**60,400**	**–**	**700**	**61,100**
Transactions with owners of the Company						
Dividends provided for or paid	17	–	(18,600)	–	–	(18,600)
Settlement of share plan		(200)	–	–	–	(200)
Share based payment expense	18(a)	–	–	–	1,300	1,300
Transfer of shares for settlement of share plan		700	–	–	(700)	–
		500	(18,600)	–	600	(17,500)
Balance at 24 June 2023		**109,300**	**45,100**	**17,700**	**29,700**	**201,800**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 24 JUNE 2023

	NOTES	52 WEEKS ENDED 24 JUNE 2023 $000	52 WEEKS ENDED 25 JUNE 2022 $000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)*		3,106,500	2,776,800
Payments to suppliers and employees (inclusive of GST)*		(2,734,700)	(2,403,800)
		371,800	**373,000**
Interest received		2,400	500
Income taxes paid		(15,200)	(31,900)
Net cash provided by operating activities	20	**359,000**	**341,600**
Cash flows from investing activities			
Capital expenditure		(71,900)	(61,900)
Proceeds from sale of assets		200	3,800
Dividends received from investments		400	200
Government grant received		3,300	–
Net cash used in investing activities		**(68,000)**	**(57,900)**
Cash flows from financing activities			
Settlement of share plan		(500)	(500)
Dividends paid		(18,600)	(57,600)
Lease payments – principal		(193,800)	(187,700)
Lease payments – interest		(53,300)	(51,700)
Interest and finance charges paid		(27,800)	(12,300)
Proceeds from settlement of derivatives		7,500	–
Net cash used in financing activities		**(286,500)**	**(309,800)**
Net increase/(decrease) in cash and cash equivalents		**4,500**	**(26,100)**
Cash and cash equivalents at the beginning of the financial year		131,600	158,100
Effects of exchange rate changes on cash and cash equivalents		200	(400)
Cash and cash equivalents at end of year	6	**136,300**	**131,600**

* For the period ended 25 June 2022, the 'Receipts from customers' has been restated from $2,712,900 to $2,776,800 and the 'Payments to suppliers and employees' has been restated from $2,339,900 to $2,403,800 to include GST.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

The financial statements of Inghams Group Limited and its subsidiaries (collectively, the Group) for the 52 weeks ended 24 June 2023 (comparative period was 52 weeks ended 25 June 2022) were authorised for issue in accordance with a resolution of the directors on 17 August 2023. Inghams Group Limited (the Company) is a for-profit company limited by shares incorporated in Australia.

The registered office and principal place of business of Inghams Group Limited is:

Level 4
1 Julius Avenue
North Ryde NSW 2113
Australia

The principal activities of the Group during the year consisted of the production and sale of chicken and turkey products across its vertically integrated free-range, value enhanced, primary processed, further processed and by-product categories. Additionally, stockfeed is produced primarily for internal use but also for the poultry and pig industries.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

(i) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Financial assets and liabilities (including derivative instruments) and certain classes of plant and equipment measured at fair value.
- Assets held for sale – measured at the lower of cost (including revaluation adjustments where applicable), or fair value less cost of disposal.

(ii) Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

- Fair value determination of freehold land and buildings – note 10;
- The determination of workers compensation provision – note 14; and
- Fair value of options granted under the long term incentive scheme, as determined at grant date – note 19.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to these financial statements.

(iii) Adoption of accounting standards

At 24 June 2023, certain accounting standards and interpretations have been published or amended which will become mandatory in future reporting periods. These new or amended accounting standards and interpretations are either not material or not applicable to Ingham's.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the financial statements of the Group and its subsidiaries and the results of all subsidiaries for the year ended 24 June 2023.

Subsidiaries are all entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

(ii) Joint Ventures

The Group's interests in equity-accounted investees comprise interests in a joint venture. Interests in the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and Other Comprehensive Income of equity-accounted investees, until the date on which significant influence or joint control ceases.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which it operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Inghams Group Limited's functional and presentation currency.

(ii) Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation, at period end exchange rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in consolidated income statement, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

(iii) Group companies

The results and financial position of foreign operations of the Group (none of which have the currency of a hyperinflationary economy), that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for the statement of financial position are translated at the closing rate at balance date;
- Income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates, and
- All resulting exchange differences are recognised in other comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Sale of goods

A sale is recorded when goods have been delivered to a customer pursuant to a sales order and control of the goods has passed to the carrier or customer.

(e) Income tax

(i) Income tax treatment

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

Current and deferred tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income. In this case, the tax is also recognised in other comprehensive income.

(ii) Tax consolidation legislation

Inghams Group Limited, the ultimate Australian controlling entity, and its subsidiaries, have implemented the tax consolidation legislation.

Inghams Group Limited and its subsidiaries in the tax consolidated Group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated Group continues to be a stand-alone taxpayer in its own right. In addition to its own current and deferred tax amounts, Inghams Group Limited, the ultimate Australian controlling entity, also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from subsidiaries in the tax consolidated Group.

Assets or liabilities arising under tax funding arrangements within the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Under the tax funding arrangement the members of the tax consolidated Group compensate Inghams Group Limited for any current tax payable assumed, and are compensated by Inghams Group Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Inghams Group Limited.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Impairment of assets

Assets are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term and highly liquid investments with maturities of three months or less from inception date, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are generally collected within 30 days of invoice date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is calculated using an expected credit losses provision matrix. The provision matrix is based on the Group's historical observed default rates, adjusted for forward looking estimates. The historical observed default rates are updated to reflect current and forecast credit conditions on each reporting date. Provisions for specific receivables are recognised in addition to the general provision originating from the expected credit losses matrix.

The amount of the provision is recognised in the consolidated income statement within Administration and selling expenses.

(i) Biological assets

Biological assets are recognised at cost less accumulated depreciation. The fair value of biological assets cannot be reliably measured, as quoted market prices are not available and it is difficult to estimate the fair value based on the eventual sales price. Depreciation of breeder chickens occurs on an egg-laying basis with the depreciation representing a portion of the egg cost and subsequently the day-old broiler cost in the capitalised cost of broilers.

Biological assets are reclassified as inventory once processed.

(j) Inventories

Poultry, feed and other classes of inventories are stated at the lower of cost and net realisable value. Cost comprises all overheads except selling, distribution, general administration and interest. Net realisable value is the estimated selling price in the ordinary course of business less the estimate costs of completion and the costs necessary to make the sale.

(k) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI) – debt investment;
- Fair value through other comprehensive income (FVOCI) – equity investment;
- Fair value through profit or loss (FVTPL).

Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This category generally applies to all derivative financial assets. For more information on derivative financial instruments, refer to note 15.

Loans and receivables

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- Its contractual terms give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

This category generally applies to trade and other receivables. For more information on receivables, refer to note 7.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  (a) the Group has transferred substantially all the risks and rewards of the asset; or
  (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as measured at amortised cost, FVTPL or as derivatives designated as hedging instruments in an effective hedge, as appropriate. A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such as initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Group's financial liabilities include trade and other payables, borrowings and derivative financial instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(l) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges); or
- Hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in note 15. Movements in the hedging reserve in shareholders' equity are shown in note 18(a). The full fair value of a hedging derivative is classified as a non- current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

(i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the comprehensive income statement, together with any changes in the fair value of the hedge asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps and hedging fixed rate borrowings is recognised in the comprehensive income statement within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in the comprehensive income statement within other income or other expenses. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the consolidated income statement over the period to maturity using a recalculated effective interest rate.

(ii) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in the comprehensive income statement within other income or other expense.

Amounts accumulated in equity are reclassified to the comprehensive income statement in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance costs'. The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in profit or loss within 'sales'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset, the gains and losses previously deferred in equity are reclassified from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in profit or loss as cost of goods sold in the case of inventory, or as depreciation or impairment in the case of fixed assets.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

The Group may also enter into derivative contracts in order to hedge the translation of results of its New Zealand business. As this result is an uncertain amount at the date the derivative is entered into, it is not eligible for designation as a hedging instrument under Australian Accounting Standards, and as such any applicable contracts are measured at fair value through profit or loss, with gains or losses being recognised in profit or loss in the period incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Property, plant and equipment

Freehold land and buildings are shown at fair value based on formal periodic valuations (with sufficient regularity to ensure materially accurate valuations reflected) by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

Freehold land and buildings and leasehold buildings	3 – 50 years
Plant and equipment	1 – 20 years
Leased plant and equipment	5 – 15 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

As asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(n) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

(i) Lease Liability

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

(ii) Right-of-use asset

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Leases (continued)

(iii) Depreciation expense

Depreciation is calculated on a straight-lined basis on the right-of-use asset over the term of each lease. In line with Group's policy of classifying expenses by function, depreciation is included within the elements of Operating Profit as appropriate.

(iv) Extension and termination options

Land and building lease agreements are typically entered for fixed periods of 5 to 20 years, with some leases for periods of 30 years. Extension and termination options are included in a number of these leases across the Group.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Management's assessment is that lease options cannot be reasonably certain and are therefore excluded in the calculation of the lease liability.

Contract Growers have a set expiry date after which the lease continues indefinitely until either party gives 12 months' notice to terminate. As Ingham's continues to review the company's strategic objectives, a number of Chicken Contract Growers have already moved to performance-based agreements. More are expected in the future. Turkey Contract Growers have had fixed term agreements renewed for another 2 years, after which a move to a more performance-based agreement will be revisited.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Group.

(v) Practical expedients applied

The Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease;
- payments associated with short term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the income statement. short term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office equipment where the total individual lease payments are less than A$300.

(vi) Leases exempt from recognition under AASB 16 *Leases*

All short term leases (less than 12 months), low value or performance based leases are not recognised under AASB 16 *Leases*. These leases continue to be recognised in the Profit and Loss as an operating lease expense.

(o) Assets classified as held for sale

Assets classified as held for sale are stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. Assets are not depreciated or amortised while they are classified as held for sale.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Investments

Investments in subsidiaries and joint venture entities are accounted for at cost. Dividends received from subsidiaries and joint venture entities are recognised in the parent entity's profit, rather than being deducted from the carrying amount of these investments.

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 45 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(r) Interest bearing liabilities

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed as incurred.

(s) Provisions

Provisions for make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of each reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Workers compensation provisions are determined by actuarial assessment every financial period. The provision represents the expected liability of the entity in relation to each state's self-insurance licence.

(t) Employee benefits

(i) Short term obligations

Liabilities for wages and salaries, including non monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is presented as provision for employee benefits. All other short term employee benefit obligations are presented as payables.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Employee benefits (continued)

(ii) Other long term employee benefit obligations

The liabilities for long service leave which are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Share-based payments

Share-based compensation benefits are provided to executives and select key management under Long Term Incentive Plans.

The fair value of shares granted under Long Term Incentive Plans are recognised as an employee benefits expense with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the shares. The total amount to be expensed is determined by reference to the fair value of the shares granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting condition.

Non-market vesting conditions are included in assumptions about the number of shares that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of shares that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. Where such adjustments results in a reversal of previous expenses these are recognised as a credit to profit and loss in the period that it is assessed that certain vesting conditions will not be met.

(iv) Short term incentive scheme

The Group recognises a certain liability and expense for bonuses based on a formula that takes into consideration financial and non financial outcomes of the Group.

(u) Contributed equity

Ordinary shares are classified as equity.

(v) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(w) Government grants

The Group initially recognises government grants related to assets as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants related to the acquisition of assets are recognised as a reduction upfront in the fair value of the fixed asset to which they relate and a reduction in depreciation expense over the useful life of the asset.

(x) Good and services tax (GST)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Rounding of amounts

The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Instrument to the nearest hundred thousand dollars.

(z) Parent entity

The financial information for the parent entity, Inghams Group Limited, has been prepared on the same basis as the consolidated financial statements.

3 SEGMENT INFORMATION

Description of segments

Ingham's operations are all conducted in the poultry industry in Australia and New Zealand.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the CEO and the senior leadership team (the chief operating decision maker) in assessing performance and in determining the allocation of resources. The Group's operations in Australia and New Zealand are each treated as individual operating segments. The CEO and the senior leadership team monitor the operating results of business units separately, for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on earnings before interest, tax, depreciation and amortisation (EBITDA). Inter-segment pricing is determined on an arm's length basis and inter segment revenue is generated from a royalty charge for the services provided by the Australian operation.

Two customers generated revenue in excess of 10% of Group revenue (2022: One).

Allocations of assets and liabilities are not separately identified in internal reporting so are not disclosed in this note.

	AUSTRALIA 2023 $000	NEW ZEALAND 2023 $000	CONSOLIDATED 2023 $000
Poultry	2,439,200	381,800	2,821,000
Feed	158,100	64,900	223,000
Total revenue from contracts with customers	**2,597,300**	**446,700**	**3,044,000**
Other income	3,000	200	3,200
Inter segment revenue/(expense)	10,600	(10,600)	–
	2,610,900	**436,300**	**3,047,200**
Adjusted operating expenses*	(2,254,300)	(374,800)	(2,629,100)
Share of net profit of associate	400	–	400
EBITDA	**357,000**	**61,500**	**418,500**
Depreciation and amortisation			(268,200)
EBIT			**150,300**
Net finance costs			(76,200)
Profit before tax			**74,100**

* Adjusted operating expenses include cost of sales, distribution, selling and administration, excluding depreciation and amortisation.

3 SEGMENT INFORMATION (CONTINUED)

Description of segments (continued)

	AUSTRALIA 2023 $000	NEW ZEALAND 2023 $000	CONSOLIDATED 2023 $000
Total capital expenditure	64,200	7,700	71,900
Total property, plant and equipment	420,100	73,700	493,800
Total impairment losses (trade receivables, inventory)	19,000	2,100	21,100
Total impairment losses (property, plant and equipment)	1,000	–	1,000

	AUSTRALIA 2022 $000	NEW ZEALAND 2022 $000	CONSOLIDATED 2022 $000
Poultry	2,169,400	341,100	2,510,500
Feed	145,300	57,300	202,600
Total revenue from contracts with customers	**2,314,700**	**398,400**	**2,713,100**
Other income	200	200	400
Inter segment revenue/(expense)	10,300	(10,300)	–
	2,325,200	**388,300**	**2,713,500**
Adjusted operating expenses*	(2,013,400)	(330,100)	(2,343,500)
Share of net profit of associate	400	–	400
EBITDA	**312,200**	**58,200**	**370,400**
Depreciation and amortisation			(270,600)
EBIT			**99,800**
Net finance costs			(65,100)
Profit before tax			**34,700**

* Adjusted operating expenses include cost of sales, distribution, selling and administration, excluding depreciation and amortisation.

	AUSTRALIA 2022 $000	NEW ZEALAND 2022 $000	CONSOLIDATED 2022 $000
Total capital expenditure	49,900	11,600	61,500
Total property, plant and equipment	402,000	75,300	477,300
Total impairment losses (trade receivables and inventory)	12,200	2,700	14,900
Reversal of impairment losses (non-current assets)	(3,100)	–	(3,100)

4 OTHER INCOME AND EXPENSES

(a) Other income and expenses

	2023 $000	2022 $000
Rent and other income	3,200	400
Other items	**3,200**	**400**

(b) Expenses

	2023 $000	2022 $000
Employee benefits expense		
Employee benefits expense	598,000	566,900
Defined super contributions	48,200	44,400
Share-based payment expense	1,300	–
Employee benefits expense	**647,500**	**611,300**
Impairment losses		
Trade receivables	300	(200)
Inventories	20,800	15,100
Property, plant and equipment	1,000	(3,100)
Impairment losses	**22,100**	**11,800**

Impairment losses on trade receivables, including amounts written off and amounts provided for, are recognised within administration and selling expenses. Impairment losses on inventories, including amounts written off and amounts provided for, and are recognised within cost of sales. Impairment losses on property, plant and equipment includes previously recognised impairments reversed in the prior period.

(c) Finance income and costs

	2023 $000	2022 $000
Lease financing interest expense	53,300	51,700
Interest and borrowing costs	24,500	13,300
Amortisation of borrowing costs	800	600
Interest income	(2,400)	(500)
Finance income and costs	**76,200**	**65,100**

5 INCOME TAX EXPENSE

(a) Income tax expense/(benefit)

	2023 $000	2022 $000
Current tax	29,500	13,500
Deferred tax	(7,300)	(3,400)
Adjustments for current tax of prior periods	(8,500)	(10,500)
Income tax expense/(benefit)	**13,700**	**(400)**

(b) Numerical reconciliation of income tax expense/(benefit) to prima facie tax payable

Profit from continuing operations before income tax expense	74,100	34,700
Tax at the Australian tax rate of 30% (2022 – 30%)	22,200	10,400
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible expenses	200	–
Prior period R&D tax offset	(8,500)	(8,500)
Prior period tax settlement	–	(2,200)
Revaluation of inventory tax base in associate	(100)	(100)
	13,800	**(400)**
Difference in overseas tax rates	(100)	(200)
Adjustments for current tax of prior periods	–	200
Income tax expense/(benefit)	**13,700**	**(400)**

(c) Deferred taxes

The movements in deferred tax balances for the Group are shown in the tables below:

	OPENING BALANCE $000	CHARGED TO INCOME $000	CHARGED TO EQUITY $000	CLOSING BALANCE $000
2023				
Doubtful debts	600	100	–	700
Employee benefits	26,400	100	–	26,500
Inventories	(40,400)	5,700	–	(34,700)
Other accruals	2,400	2,300	–	4,700
Property, plant and equipment	(11,700)	(10,300)	–	(22,000)
AASB 16 – *Leases*	27,900	6,200	–	34,100
Provisions	1,900	2,100	–	4,000
Cash flow hedges	(3,200)	–	3,100	(100)
Business related costs S40-800	–	100	–	100
Deferred income	–	1,000	–	1,000
Net deferred tax assets/(liabilities)	**3,900**	**7,300**	**3,100**	**14,300**

5 INCOME TAX EXPENSE (CONTINUED)

(c) Deferred taxes (continued)

	OPENING BALANCE $000	CHARGED TO INCOME $000	CHARGED TO EQUITY $000	CLOSING BALANCE $000
2022				
Doubtful debts	600	–	–	600
Employee benefits	25,300	1,100	–	26,400
Inventories	(41,400)	1,000	–	(40,400)
Other accruals	6,200	(3,800)	–	2,400
Property, plant and equipment	(5,900)	(3,100)	(2,700)	(11,700)
AASB 16 – *Leases*	20,300	7,600	–	27,900
Provisions	1,600	300	–	1,900
Cash flow hedges	1,000	300	(4,500)	(3,200)
Net deferred tax assets/(liabilities)	**7,700**	**3,400**	**(7,200)**	**3,900**

6 CASH AND CASH EQUIVALENTS

	2023 $000	2022 $000
Cash at bank and on hand	136,000	131,300
Short term deposits	300	300
Cash and cash equivalents	**136,300**	**131,600**

Short term deposits are presented as cash equivalents as they have a maturity of less than three months.

7 TRADE AND OTHER RECEIVABLES

	2023 $000	2022 $000
Trade receivables	257,000	214,100
Provision for doubtful debts	(2,100)	(1,900)
Net trade receivables	**254,900**	**212,200**
Other receivables	9,300	6,300
Prepayments	3,900	3,200
Trade and other receivables	**268,100**	**221,700**
Movement in the provision for doubtful debts:		
At start of period	(1,900)	(2,000)
Impairment (expense)/reversal recognised during the year	(300)	200
Receivables written off/(written back) during the year as uncollectable	100	(100)
Balance at end of period	**(2,100)**	**(1,900)**

Due to the short term nature of current receivables, their carrying amount is assumed to approximate their fair value.

The Group has considered the collectability and recoverability of trade receivables. A provision for doubtful debts is calculated using an expected credit losses provision matrix. The provision matrix is based on the Group's historical observed default rates, adjusted for forward looking estimates. The historical observed default rates are updated to reflect current and forecast credit conditions on each reporting date. Provisions for specific receivables are recognised in addition to the general provision originating from the expected credit losses matrix.

7 TRADE AND OTHER RECEIVABLES (CONTINUED)

Ingham's continues to execute a variety of different credit management strategies to mitigate credit risk and collect cash.

	2023 $000	2022 $000
Current	245,000	203,400
1 to 30	5,000	6,600
31 to 60	2,100	1,100
61 to 90	1,600	400
90+	1,200	700
Impaired (provision for doubtful debts)	2,100	1,900
Trade receivables	**257,000**	**214,100**

8 BIOLOGICAL ASSETS

	2023 $000	2022 $000
Breeder	48,000	41,200
Broiler	96,500	81,100
Eggs	15,300	13,300
Biological assets	**159,800**	**135,600**

All movements in the value of biological asset classes are due to purchases and consumption in the ordinary course of business. The Group is exposed to a number of risks relating to its biological assets:

(i) Regulatory and environmental risk

The Group is subject to laws and regulations in the countries in which it operates. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

(ii) Climate and other risks

The Group's biological assets are exposed to the risk of damage from climatic changes, diseases and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular health inspections. The Group is also insured against natural disasters.

9 INVENTORIES

	2023 $000	2022 $000
Processed Poultry	112,300	103,100
Feed	68,900	102,300
Other	47,200	42,900
Inventories (gross)	**228,400**	**248,300**
Inventory obsolescence provision	(7,700)	(9,600)
Inventories	**220,700**	**238,700**

Inventory is assessed for excess or slow moving stock, stock sold below cost and other indicators of obsolescence in calculating inventory obsolescence provision. Other inventories include medication, packaging and consumables.

10 PROPERTY, PLANT AND EQUIPMENT

	FREEHOLD LAND $000	FREEHOLD BUILDINGS $000	LEASEHOLD BUILDINGS $000	PLANT AND EQUIPMENT $000	CAPITAL WORK IN PROGRESS $000	TOTAL $000
2023						
Cost						
Opening balance	38,400	80,300	15,100	674,300	47,500	855,600
Additions	–	–	–	–	71,900	71,900
Transfers	9,100	15,900	–	31,600	(56,600)	–
Disposals	–	(200)	(1,100)	(12,700)	–	(14,000)
Impairment[1]	–	–	–	(1,000)	–	(1,000)
Exchange differences	–	100	–	1,900	–	2,000
Closing balance	**47,500**	**96,100**	**14,000**	**694,100**	**62,800**	**914,500**
Accumulated Depreciation						
Opening balance	–	(3,000)	(6,600)	(368,700)	–	(378,300)
Depreciation charge	–	(2,800)	(900)	(50,500)	–	(54,200)
Disposals	–	100	1,100	12,200	–	13,400
Exchange differences	–	–	–	(1,600)	–	(1,600)
Closing balance	**–**	**(5,700)**	**(6,400)**	**(408,600)**	**–**	**(420,700)**
Net book value	**47,500**	**90,400**	**7,600**	**285,500**	**62,800**	**493,800**

	FREEHOLD LAND $000	FREEHOLD BUILDINGS $000	LEASEHOLD BUILDINGS $000	PLANT AND EQUIPMENT $000	CAPITAL WORK IN PROGRESS $000	TOTAL $000
2022						
Cost						
Opening balance	26,000	22,400	14,600	668,800	55,400	787,200
Additions	–	–	500	–	61,000	61,500
Transfers	800	59,200	–	8,600	(68,600)	–
Revaluation	11,900	(800)	–	–	–	11,100
Disposals	(200)	–	–	(1,500)	–	(1,700)
Exchange differences	(100)	(500)	–	(1,600)	(300)	(2,500)
Closing balance	38,400	80,300	15,100	674,300	47,500	855,600
Accumulated Depreciation						
Opening balance	–	(2,500)	(5,600)	(321,200)	–	(329,300)
Depreciation charge	–	(2,200)	(1,000)	(52,700)	–	(55,900)
Assets held for sale	–	(3,000)	–	3,000	–	–
Revaluation	–	4,300	–	–	–	4,300
Disposals	–	–	–	1,500	–	1,500
Exchange differences	–	400	–	700	–	1,100
Closing balance	**–**	**(3,000)**	**(6,600)**	**(368,700)**	**–**	**(378,300)**
Net book value	**38,400**	**77,300**	**8,500**	**305,600**	**47,500**	**477,300**

(1) Includes impairment of equipment related to exit of the Wanneroo Feedmill of $1.0 million.

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The valuation basis of freehold land and buildings is fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition.

Independent valuations are performed every three years and the last was performed in FY22. In FY23 management assessed the reasonableness of the carrying value of Land and Buildings. No adjustments were required to the carrying values.

11 RIGHT-OF-USE ASSETS

	LAND AND BUILDING $000	CONTRACT GROWERS $000	EQUIPMENT AND MOTOR VEHICLE $000	TOTAL $000
2023				
Balance at 26 June 2022	**835,500**	**461,900**	**22,000**	**1,319,400**
Additions	47,400	134,300	2,000	183,700
Disposals	(900)	(13,700)	(100)	(14,700)
Depreciation	(71,100)	(137,100)	(5,800)	(214,000)
Net foreign currency movement	600	600	–	1,200
Balance at 24 June 2023	**811,500**	**446,000**	**18,100**	**1,275,600**

	LAND AND BUILDING $000	CONTRACT GROWERS $000	EQUIPMENT AND MOTOR VEHICLE $000	TOTAL $000
2022				
Balance at 27 June 2021	**852,000**	**515,600**	**7,300**	**1,374,900**
Additions	57,800	85,500	21,300	164,600
Disposals	–	(100)	(1,400)	(1,500)
Depreciation	(72,000)	(137,500)	(5,200)	(214,700)
Net foreign currency movement	(2,300)	(1,600)	–	(3,900)
Balance at 25 June 2022	**835,500**	**461,900**	**22,000**	**1,319,400**

Extension options are not included in the measurement of the right-of-use asset and lease liability unless they are exercised.

	2023 $000	2022 $000
Variable lease payments not included in the measurement of lease liabilities	107,800	100,200
Expenses relating to low value leases	5,600	4,400
Total	**113,400**	**104,600**

The total cashflow payments related to leases in FY23 was $360,500,000 (FY22: $344,000,000).

12 TRADE AND OTHER PAYABLES

	2023			2022		
	CURRENT $000	NON-CURRENT $000	TOTAL $000	CURRENT $000	NON-CURRENT $000	TOTAL $000
Trade payables	296,300	1,000	297,300	287,900	1,000	288,900
Inventory procurement trade payable	132,200	–	132,200	141,500	–	141,500
Other payables	33,600	3,300	36,900	23,200	1,900	25,100
Trade and other payables	**462,100**	**4,300**	**466,400**	**452,600**	**2,900**	**455,500**

The Group has an inventory procurement trade payable with a third party financial institution, which is interest bearing. Trade bills of exchange are paid by the financial institution direct to the supplier and the Group settles the payable on extended payment terms. The amount utilised and recorded within trade and other payables at 24 June 2023 was $132.2 million (25 June 2022: $141.5 million).

13 BORROWINGS

(a) Interest bearing loans

	CARRYING AMOUNT		PRINCIPAL AMOUNT DRAWN			
	2023 $000	2022 $000	2023 $000	2022 $000	INTEREST RATE	MATURITY
Unsecured liabilities						
Tranche A	199,200	199,500	200,000	200,000	Floating rate[(a)]	November 2025
Tranche B	199,600	199,400	200,000	200,000	Floating rate[(a)]	November 2024
Borrowings	**398,800**	**398,900**	**400,000**	**400,000**		

(a) Floating rates are at Bank Bill Swap Rate plus a predetermined margin. The Group has entered into hedging of the floating interest rate, as further described in note 22. Tranche A and Tranche B are fully drawn as at 24 June 2023 and the Group has an additional undrawn facility under Tranche C of $139.0 million (25 June 2022: $138.0 million).

(b) Fair value

For external borrowings, the fair values are not materially different to their carrying amounts, since the interest payable on the borrowings is either close to current market rates or the borrowings are of a short term nature. The Group has entered into interest rate swaps in relation to the interest payable.

14 PROVISIONS

	2023			2022		
	CURRENT $000	NON-CURRENT $000	TOTAL $000	CURRENT $000	NON-CURRENT $000	TOTAL $000
Workers compensation	9,900	22,300	32,200	8,600	21,000	29,600
Employee benefits	82,000	6,500	88,500	81,300	6,700	88,000
Make good	1,200	1,600	2,800	1,400	2,000	3,400
Onerous contracts	800	7,100	7,900	–	–	–
Restructuring	200	–	200	3,400	–	3,400
Other provisions	4,200	–	4,200	2,300	–	2,300
Provisions	**98,300**	**37,500**	**135,800**	**97,000**	**29,700**	**126,700**

(a) Workers compensation

Workers compensation provisions are determined by actuarial assessment by Mr William Szuch Bsc, BA, MBA, FIA, FIAA Principal of WSA Financial Consulting Pty Limited and Mr Bruce Harris, BEng (Hons) FIAA Consultant of AM actuaries, considering the liability for reported claims still outstanding, settled claims that may be reopened in the future, claims incurred but not reported as at balance date and a provision for future expenses, adjustments for claims cost escalation and investment earnings on the claims provision.

(b) Make good provision

The Group is required to restore certain leased premises to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove leasehold improvements.

(c) Restructuring provision

Provisions for restructuring are recognised when a detailed formal plan has been approved and either commenced or a valid expectation has been raised to those persons affected. The provision is based on expenditure to be incurred which is directly caused by the restructuring and does not include costs associated with ongoing activities. The adequacy of the provision is reviewed regularly and adjusted if required. Revisions in the estimated amount of a restructuring provision are reported in the period in which the revision in the estimate occurs.

(d) Onerous contracts

The onerous lease provision relates to the remaining obligations for the Cleveland lease that has been reassigned to a new tenant for the remainder of the term.

14 PROVISIONS (CONTINUED)

(e) Movements

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	ONEROUS CONTRACTS $000	WORKERS COMPEN-SATION $000	MAKE GOOD $000	RESTRUCT-URING $000	OTHER $000	TOTAL $000
Balance at 27 June 2021	**–**	**26,900**	**4,000**	**–**	**4,100**	**35,000**
Charged to profit or loss	–	13,100	(600)	3,400	2,300	18,200
Amounts used during the period	–	(10,400)	–	–	(4,100)	(14,500)
Balance at 25 June 2022	**–**	**29,600**	**3,400**	**3,400**	**2,300**	**38,700**
Balance at 26 June 2022	**–**	**29,600**	**3,400**	**3,400**	**2,300**	**38,700**
Charged to profit or loss	8,700	12,900	800	7,200	1,900	31,500
Amounts used during the period	(800)	(10,300)	(1,400)	(10,400)	–	(22,900)
Balance at 24 June 2023	**7,900**	**32,200**	**2,800**	**200**	**4,200**	**47,300**

15 DERIVATIVE FINANCIAL INSTRUMENTS

The Group has the following derivative financial instruments:

	2023			**2022**		
	CURRENT $000	NON-CURRENT $000	TOTAL $000	CURRENT $000	NON-CURRENT $000	TOTAL $000
Interest rate swap contracts						
– Cash flow hedges (asset)	1,500	1,200	2,700	3,200	5,400	8,600
Forward foreign exchange contracts						
– Cash flow hedges (asset)	700	–	700	2,400	–	2,400
Derivative financial instruments	**2,200**	**1,200**	**3,400**	**5,600**	**5,400**	**11,000**

Classification of derivatives

Derivatives are classified as held for trading and accounted for at fair value through profit or loss unless they are designated as hedges. They are presented as current assets or liabilities if they are expected to be settled within 12 months after the end of the reporting period.

The Group's accounting policy for its cash flow hedges is set out in note 2(l). For hedged forecast transactions that result in the recognition of a non-financial asset, the Group has elected to include related hedging gains and losses in the initial measurement of the cost of the asset.

16 EQUITY CONTRIBUTED EQUITY

(a) Share capital

	2023 SHARES	2022 SHARES	2023 $000	2022 $000
Ordinary shares issued	371,679,601	371,679,601	109,300	108,800

(b) Movements in ordinary shares

	SHARES	$000
Balance at 27 June 2021	**371,679,601**	**108,100**
Settlement of share plan	–	(500)
Transfer of shares for settlement of share plan	–	1,200
Balance at 25 June 2022	**371,679,601**	**108,800**
Balance at 26 June 2022	**371,679,601**	**108,800**
Amounts paid for treasury shares	–	(200)
Settlement of share plan	–	700
Balance at 24 June 2023	**371,679,601**	**109,300**

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and to share the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

(d) Treasury shares

Treasury shares outstanding of nil shares (FY22: 3,707) are shares in Inghams Group Limited that are held in trust by Ingham 2 Pty Limited, a subsidiary, and Pacific Life Custodians Pty Limited for the purpose of issuing shares under the employee share scheme. Information relating to the Ingham's Long Term Incentive Plan, including details of shares issued, exercised and lapsed during the financial period and outstanding at the end of the reporting period, is set out in note 19.

17 DIVIDENDS

(a) Ordinary shares

	2023 $000	2022 $000
Dividends paid	18,600	57,600

The directors propose that a final dividend of 10.0 cents per ordinary share be declared on 17 August 2023 and be paid on 5 October 2023. The proposed FY23 final dividend will be fully franked for Australian tax purposes. The financial effect of this dividend has not been brought to account in these consolidated financial statements and will be recognised in subsequent financial reports.

17 DIVIDENDS (CONTINUED)

(b) Franking credits

	2023 $000	2022 $000
Amount of Australian franking credits available for subsequent periods to the shareholders of Inghams Group Limited	19,800	16,600

The ability to utilise the franking credits is dependent upon the ability to declare dividends in the future included in the above line. Franking credits of $16.4 million (2022: $16.4 million) are only available to be used under very limited and specific circumstances. These credits relate to the period when the former shareholder TPG was treated as an exempting entity with greater than 95% foreign ownership and can only be used by TPG and member holding eligible employee shares.

18 RESERVES

(a) Other reserves

	2023 $000	2022 $000
Asset revaluation reserve	17,700	17,700
Foreign currency translation reserve	8,400	7,700
Cash flow hedge reserve	9,100	9,100
Share-based payments reserve	12,200	11,600
Other reserves	**47,400**	**46,100**
Movements:		
Asset revaluation reserve		
Balance at beginning of financial year	17,700	9,000
Revaluation of land and buildings	1,800	12,400
Deferred tax	(1,800)	(2,600)
Transfer to retained earnings	–	(1,100)
Balance at end of the financial year	**17,700**	**17,700**
Foreign currency translation reserve		
Balance at beginning of financial year	7,700	10,500
Currency translation differences arising during the year	700	(2,800)
Balance at end of the financial year	**8,400**	**7,700**
Cash flow hedge reserve		
Balance at beginning of financial year	9,100	(1,500)
Balance reclassified to profit and loss in year	(12,100)	2,300
Revaluation – gross	9,000	12,800
Deferred tax	3,100	(4,500)
Balance at end of the financial year	**9,100**	**9,100**
Share-based payments reserve		
Balance at beginning of financial year	11,600	12,800
Share based payment expense	1,300	–
Settlement of share plan	(700)	(1,200)
Balance at end of the financial year	**12,200**	**11,600**

18 RESERVES (CONTINUED)

(b) Nature and purpose of other reserves

(i) Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in note 10. The balance of the reserve may be used to satisfy the distribution of bonus shares to shareholders and is only available for the payment of cash dividends in limited circumstances as permitted by law. Upon sale of the asset, the balance relating to that asset is transferred to retained earnings.

(ii) Foreign currency translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 2(c) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

(iii) Cash flow hedges

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised in other comprehensive income, as described in note 2(l). Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

(iv) Share-based payments

The share-based payments reserve is used to recognise the grant date fair value of shares issued to employees but not vested.

19 SHARE-BASED PAYMENTS

Inghams Employees Share Plan

Executive KMP and senior executives are invited annually to participate in a three-year Long Term Incentive Plan (LTIP), awarded in share rights with these share rights being performance based and only vesting if minimum performance hurdles are met. The share rights do not attract voting rights or entitle the holder to receive dividends.

In addition, Executive KMP and certain senior executives have a portion of any actual Short Term Incentive Plan award deferred into share rights, that are required to be held for a period of 12 months before vesting into shares. No performance conditions exist for these share rights to vest as they are time-based vesting on the completion of the service period.

Share rights outstanding at the end of the year have the following expiry dates:

		2023		2022	
GRANT DATE	EXPIRY DATE	EXERCISE PRICE	NUMBER OF RIGHTS	EXERCISE PRICE	NUMBER OF RIGHTS/ OPTIONS
21 June 2023	1 July 2025	–	2,323,507	–	–
17 November 2022	19 August 2025	–	367,015	–	–
27 September 2022	19 August 2025	–	193,830	–	–
5 November 2021	1 July 2024	–	1,401,302	–	1,462,535
15 September 2021	15 September 2022	–	–	–	98,000
10 June 2021	1 July 2023	–	814,815	–	862,917
2 April 2020	31 December 2022	–	–	–	14,410
1 September 2020	31 July 2023	–	15,031	–	15,031
		–	**5,115,500**	**–**	**2,452,893**

19 SHARE-BASED PAYMENTS (CONTINUED)

STIP Offer

The STIP provides the Executive KMP and other senior members of the management team a cash or cash/equity incentive where specific outcomes have been achieved in the financial year. STIP payments are calculated as a percentage of total Total Fixed Remuneration, as per contractual arrangements and conditional on achieving performance objectives against key financial measures (underlying post AASB 16 EBIT and Core Poultry Sales Volume Growth), two non-financial measures (People Safety and Food Safety), and the individual's overall performance to the achievement of our group strategic objectives.

Long Term Incentive Plans

FY23-FY25 LTIP Offer

FY23-FY25 LTIP PERFORMANCE RIGHTS GRANT > **ROIC (50%)** + **RELATIVE TSR (50%)** > **TOTAL LTIP (INGHAM'S ORDINARY SHARES)**

FY23-FY25 LTIP Offer

The FY23-FY25 LTIP is subject to approval at the 2023 AGM. The below table outlines the key terms of the Offer:

Eligibility to participate in LTIP Offer	Offers may be made at the Board's discretion to employees of Ingham's or any other person the Board determines to be eligible to receive a grant under the Plan. The FY23-FY25 LTIP Offer has been made to the following current Executive KMP, subject to shareholder approval: • Andrew Reeves (CEO/MD), (150% of TFR at Maximum); and • Gary Mallett (CFO), (70% of TFR at Maximum).
Offers under the Plan	The LTIP Offer is a grant of performance rights.
Grant of Rights	A Right entitles the participant to acquire an Ingham's share for nil consideration at the end of the performance period, subject to meeting specific performance conditions. The Board retains the discretion to make a cash payment to participants on vesting of the Rights in lieu of an allocation of shares.
Quantum of Rights	The aggregate face value at maximum of the LTIP Offer to all participants (Executive KMP and Senior Management) is $6.6 million. The final number of Rights awarded to each participant was calculated by dividing the face value of their LTIP award by $2.6157, being the volume weighted average price (VWAP) of Ingham's shares traded on the ASX in the 10 days after 19 August 2022 (the announcement date of Ingham's FY22 annual results).
Performance Period	Three years, commencing on 26 June 2022 and ending on or about 1 July 2025.
Performance conditions	**Relative TSR (50% of Award)** For this component, the Company's relative TSR will be compared to a comparator group comprising the ASX Small Ordinaries and vest according to the following schedule:

COMPANY'S RELATIVE TSR RANK IN THE COMPARATOR GROUP OVER PERFORMANCE PERIOD	% OF RIGHTS THAT VEST
Less than 50th percentile	Nil
At 50th percentile (threshold)	50%
Between 50th and 75th percentile	Straight line pro rata Vesting between 50% and 100%
At 75th percentile or above	100%

19 SHARE-BASED PAYMENTS (CONTINUED)

FY23-FY25 LTIP Offer (continued)

Performance conditions (continued)

Return on invested capital (50% of award)

For this component, the Company's underlying Return on Invested Capital pre AASB 16 ("ROIC") will be calculated as the equivalent of net operating profit after tax divided by average invested capital (2 point average). The Company's ROIC for each of the three years forming the performance period will be averaged to provide an overall outcome, with ROIC performance targets set out below (rather than retrospectively), following shareholder feedback.

The Board reserves discretion to make adjustments to ROIC in exceptional circumstances, such as to take account of corporate actions undertaken by the Company.

The level of vesting of this component will be determined according to the following schedule:

COMPANY'S ROIC OUTCOME	% OF RIGHTS THAT VEST
Less than Threshold	Nil
At Threshold of 16.1% p.a.	50%
Between Threshold and Target	Straight line pro rata Vesting between 50% and 75%
At Target	75%
Between Target and Maximum	Straight line pro rata Vesting between 75% and 100%
At Maximum of 21.0% p.a. or more	100%

Re-testing

Performance will not be re-tested if the performance conditions are not satisfied at the end of the performance period. Any Rights that remain unvested at the end of the performance period will lapse immediately.

Restrictions on dealing

The Executive KMP must not sell, transfer, encumber, hedge or otherwise deal with performance rights. The Executive KMP will be free to deal with the shares allocated on vesting of the performance rights, subject to the requirements of Ingham's Securities Dealing Policy at that time.

A minimum amount of 25% of any vested equity award will need to be held for any relevant Executive KMP until the minimum shareholding requirement is met. Minimum shareholder requirements are detailed on page 89.

Change of control

Under the Plan rules and the terms of the LTIP awards, the Board may determine in its absolute discretion that some or all of the Executive KMP performance rights will vest on a likely change of control.

In the event of an actual change in the control of the Company then, unless the Board determines otherwise, all unvested performance rights will immediately vest or cease to be subject to restrictions (as applicable) on a pro rata basis based on the portion of the vesting period that has elapsed.

Clawback

Under the Plan rules and the terms of the LTIP awards, the Board has claw back powers which it may exercise if, among other things:

- the Executive KMP has acted fraudulently or dishonestly;
- has engaged in gross misconduct, brought Ingham's, the Inghams Group or any Inghams Group company into disrepute or breached their obligations to the Inghams Group;
- Ingham's is required by or entitled under law or Ingham's policy to reclaim remuneration from the Executive KMP;
- there is a material misstatement or omission in the accounts of an Inghams Group company; or
- the Executive KMP entitlements vest or may vest as a result of the fraud, dishonesty or breach of obligations of any other person and the Board is of the opinion that the performance rights would not have otherwise vested.

Cessation of employment

If the participant ceases employment for cause or due to their resignation, unless the Board determines otherwise, any unvested Rights will automatically lapse. The Board has the discretion to designate a 'good leaver', whereby Rights will not automatically lapse. In all other circumstances, the Rights will be pro-rated (based on the proportion of the performance period that has elapsed) and remain on foot and subject to the original performance conditions, unless the Board exercises a discretion to treat them otherwise.

19 SHARE-BASED PAYMENTS (CONTINUED)

FY23-FY25 LTIP Offer (continued)

Fair Value	The fair value of the LTIP offer at grant date was determined using an adjusted form of Black Scholes model for the TSR component. The ROIC component is valued using a discounted cashflow technique. The weighted average grant date fair value of rights granted in the year was $1.98. The model inputs for performance rights granted during the year ended included: a) Exercise price $Nil (2022: $Nil, 2021: $Nil) b) Share price at grant date $2.69 (2022: $3.60, 2021: $3.71) c) Expected price volatility 29% (2022: 33%, 2021: 33%) d) Expected dividend yield 4.0% (2022: 4.6%, 2021: 4.3%) e) Risk-free interest rate 4.07% (2022: 0.81%, 2021: 0.014%)

One-off Performance Rights

The one-off performance rights approved at the 2022 AGM. The below table outlines the key terms of the Offer:

Quantum of Rights	For the CEO/MD, 367,015 performance rights, representing a One-Off award with a face value of $960,000 (being 80% of the CEO/MD's TFR for the relevant financial year). For the CFO, 193,830 performance rights, representing a One-Off award with a face value of $507,000 (being 75% of the CFO's TFR for the relevant financial year). The number of performance rights granted under the One-Off award was calculated by dividing the face value opportunity by $2.6157, being the volume weighted average price of Ingham's shares traded on the ASX in the 10 trading days after 19 August 2022 (the announcement date of Ingham's FY22 annual results). The actual value that the plan participants will receive (if any) will depend on whether the performance conditions are achieved.
Performance Period	Three years, commencing on 19 August 2022 and ending on or about 19 August 2025.
Performance testing	Performance rights will vest at the end of the relevant performance period, subject to the satisfaction of the performance conditions. Performance will not be re-tested if the performance conditions are not satisfied at the end of the relevant performance period. Any performance rights that remain unvested at the end of the relevant performance period will lapse immediately.
Performance conditions	The One-Off performance rights are subject to the satisfaction of an absolute total shareholder return (Absolute TSR) performance condition. **Absolute TSR (100% of Award)** The Company's Absolute TSR performance will be measured according to the following schedule:

COMPANY'S ABSOLUTE TSR PERFORMANCE SCORECARD	% OF RIGHTS THAT VEST
Below 10% p.a. Absolute TSR	Nil
10% p.a. Absolute TSR	30%
Between 10% p.a. and 20% p.a. Absolute TSR	Straight line pro rata Vesting between 30% and 100%
Above 20% p.a. Absolute TSR	100%

Vesting price	The vesting price used to measure the Absolute TSR will be the 10-day VWAP following the vesting date, with no retesting of the VWAP allowed.
Voting and dividend entitlements	Performance rights granted under the One-Off award do not carry dividend or voting rights prior to vesting. Shares allocated upon vesting of performance rights carry the same dividend and voting rights as other Ingham's shares.
Holding period	Subject to the performance rights vesting, any shares allocated to the participants will be subject to a further one year holding period.

19 SHARE-BASED PAYMENTS (CONTINUED)

One-Off Performance Rights (continued)

Cessation of employment	If the participant ceases employment for cause or due to their resignation, unless the Board determines otherwise, any unvested performance rights will automatically lapse. In the event of retirement, any unvested performance rights will automatically lapse. In all other circumstances, the performance rights remain on foot and subject to the original performance conditions, unless the Board exercises a discretion to treat them otherwise. Where the Board considers the participant to be a 'good leaver' (e.g. leaving employment for significant medical reasons), generally all performance rights are expected to be left on foot subject to any original performance conditions. Otherwise, it is expected that the Board will exercise discretion for the performance rights will be prorated (based on the proportion of the performance period that has elapsed), with the remainder staying on foot and subject to any original performance conditions.
Change of Control	Under the Plan rules and the terms of the One-Off award, the Board may determine in its absolute discretion that some or all of the participant's performance rights will vest on a likely change of control. In the event of an actual change in the control of the Company then, unless the Board determines otherwise, all unvested performance rights will immediately vest or cease to be subject to restrictions (as applicable) on a pro rata basis based on the portion of the vesting period that has elapsed.
Clawback	Under the Plan rules and the terms of the One-Off award, the Board has clawback powers which it may exercise if, among other things: • the participant has acted fraudulently or dishonestly; • has engaged in gross misconduct, brought Ingham's, the Inghams Group or any Inghams Group company into disrepute or breached their obligations to the Inghams Group; • Ingham's is required by or entitled under law or Ingham's policy to reclaim remuneration from the participant; • there is a material misstatement or omission in the accounts of an Inghams Group company; or • the participant's entitlements vest or may vest as a result of the fraud, dishonesty or breach of obligations of any other person and the Board is of the opinion that the performance rights would not have otherwise vested.
Restrictions on dealing	The participant must not sell, transfer, encumber, hedge or otherwise deal with performance rights. The participant will be free to deal with the shares allocated on vesting of the performance rights and after the required holding period, subject to the requirements of Ingham's Securities Dealing Policy.
Minimum shareholding	Shareholding requirement the CEO/MD needs to hold is a minimum of 100% of TFR and other Executive KMP needs to hold is a minimum of 50% of TFR. A minimum amount of 25% of any vested equity award will need to be held for any relevant Executive KMP until the minimum shareholding requirement is met. Minimum shareholder requirements are detailed on page 89. The minimum shareholding will need to be achieved after five years following the minimum shareholding requirements being implemented in FY22 and we expect significant progress by the end of three years.
Other terms of the One Off Plan	The Board may amend or waive terms under the Plan, subject to the ASX Listing Rules. Subject to the ASX Listing Rules, the Board may make such adjustments to rights awarded under the Plan as the Board considers appropriate in order to minimise or eliminate any material advantage or disadvantage to the participant resulting from a corporate action such as a capital raising or capital reconstruction. The Board will assess overall performance at the end of the performance period and may adjust the award outcome (including to zero) to reflect broader performance considerations and alignment to the shareholder experience and performance expectations.
Fair Value	The fair value of the one-off performance plan offer at grant date is $1.09. The model inputs for performance rights granted during the year ended included: a) Share price at grant date $2.77 b) Expected price volatility 33.0% c) Expected dividend yield 4.0% d) Risk-free interest rate 3.21%

20 CASH FLOW INFORMATION

	2023 $000	2022 $000
Reconciliation of profit after income tax		
Profit after tax for the period	60,400	35,100
Depreciation	268,200	270,600
Finance costs	78,600	65,600
Share based payment expense	1,300	–
Share of Profit – Associate	(400)	(400)
Reversal of impairment of assets	–	(3,100)
Net loss/(gain) on disposal of assets	1,400	–
Net loss/(gain) on leases disposal	600	–
Lease liability reassignment	(11,600)	–
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	(46,400)	1,000
(Increase)/decrease in biological assets	(24,200)	(13,800)
(Increase)/decrease in inventories	18,000	(42,600)
Increase/(decrease) in trade and other payables	9,500	54,300
Increase/(decrease) in income tax payable	4,400	(29,200)
(Increase)/decrease in deferred tax asset/liabilities	(10,400)	(3,300)
Increase/(decrease) in other provisions	9,600	7,400
Net cash provided by operating activities	**359,000**	**341,600**

21 RELATED PARTY DISCLOSURES GROUP STRUCTURE

(a) Parent entity

The ultimate parent entity of the group is Inghams Group Limited.

(b) Subsidiaries

The consolidated financial statements include the financial statements of Inghams Group Limited and its subsidiaries as follows:

		EQUITY HOLDING	
NAME OF ENTITY	COUNTRY OF INCORPORATION	2023 %	2022 %
Ingham Holdings II Pty Limited[(a), (c)]	Australia	100	100
Ingham Holdings III Pty Limited[(a), (c)]	Australia	100	100
Adams Bidco Pty Limited[(a), (c)]	Australia	100	100
Ingham Enterprises Pty Limited[(a), (c)]	Australia	100	100
Inghams Enterprises Pty Limited[(a), (c)]	Australia	100	100
The Free-ranger (formerly Ingham Finco Pty Limited)[(b)]	Australia	100	100
Ingham 2 Pty Limited[(b)]	Australia	100	100
Agnidla Pty Limited[(b), (c)]	Australia	100	100
Aleko Pty Limited[(b), (c)]	Australia	100	100
Inghams Enterprises (NZ) Pty Limited[(a), (c)]	Australia	100	100
Inghams Property Management Pty Limited[(b), (c)]	Australia	100	100
Ovoid Insurance Limited	Bermuda	100	100
Ovoid Insurance Pty Limited[(b)]	Australia	100	100
Inadam Pty Limited[(b), (c)]	Australia	100	100
Inghams (NZ) No 2 Limited	New Zealand	100	100

(a) These subsidiaries have been granted relief from the necessity to prepare financial reports under the option available to the Company under *ASIC Corporations (Wholly Owned Companies) Instrument 2016/785.*

(b) These subsidiaries are not audited as they are small proprietary companies which are not required to prepare audited financial statements under *ASIC Corporations (Audit Relief) Instrument 2016/784.*

(c) These subsidiaries, along with Inghams Group Limited, form the Deed of Cross Guarantee Group described further from note 29.

(c) Key management personnel compensation.

	2023 $000	2022 $000
Short term employee benefits	3,937	3,454
Post employment benefits	182	202
Share based payments	880	147
Key management personnel compensation	**4,999**	**3,803**

Information regarding individual directors' and executives' compensation and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 and 2M.6.04 is provided in the Remuneration Report section of the Directors' Report.

No director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

(d) Transaction with other related parties

There are no loans to KMP and the directors do not intend to offer any loans in the future.

22 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by a central treasury department. Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. Treasury provides overall risk management, covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments in accordance with the Group's facilities agreement and company policies.

The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. Derivatives are exclusively used for economic hedging purposes and not as trading or speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and aging analysis for credit risk.

Fair value hierarchy

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Fair value inputs are summarised as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair value inputs are summarised as follows:

	FAIR VALUE HIERARCHY	NOTE	VALUATION TECHNIQUE
Derivatives	Level 2	15	Calculated as the present value of estimated future cash flows using a market based yield curve sourced from available market data quoted for all major interest rates.
Freehold land	Level 2	10	Freehold land based on prices for similar transactions of similar assets that have occurred recently in the market. Prices are adjusted to reflect differing terms of the actual transactions as well as differences in legal, economic and physical characteristics.
Freehold buildings	Level 3	10	Buildings based on the amount required to replace the service capacity of the asset considering the physical deterioration, function or economic obsolescence.

Freehold land and buildings are valued using independent valuers who use recent land and property sales adjusted for characteristics of the asset(s) being valued such as location and use.

Fair value hierarchy is re-assessed annually for any change in circumstance that may suggest a revised level be assigned to a type of balance measured at fair value.

22 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Management has a policy requiring Group companies to manage their foreign exchange risk against their functional currency. The Group companies are required to hedge their foreign exchange risk exposure arising from future commercial transactions and recognised assets and liabilities using forward contracts. Additionally, the Group will look to manage the translation exposure to foreign denominated profits through the use of derivatives such as forward contracts.

(ii) Foreign exchange sensitivity

The Group has some exposure to exchange rate risk as it purchases some of the supplies in foreign currencies and has a subsidiary with a New Zealand dollar (NZD) functional currency. The exposure to other currencies is collectively immaterial and as such the Group's foreign currency exposure is material in respect of NZD.

	IMPACT ON POST TAX PROFITS		IMPACT ON OTHER COMPONENTS OF EQUITY	
	2023 $000	2022 $000	2023 $000	2022 $000
+100 bp variability in exchange rate	100	100	700	1,000
–100 bp variability in exchange rate	(100)	(100)	(700)	(1,000)

(iii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long term borrowings. Borrowings issued at variable rates, expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk if the borrowings are carried at fair value. Group policy is to maintain at least 50% of its term borrowings at fixed rate using interest rate swaps to achieve this. During the year ended 24 June 2023, the Group's borrowings at variable rate were denominated in Australian Dollars.

The Group's borrowings and receivables are carried at amortised cost. They are therefore not subject to interest rate risk as defined in AASB 7.

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Under these swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

As at the end of the reporting period, the Group had the following interest rate swap contracts outstanding:

	NOTIONAL PRINCIPAL AMOUNT		INTEREST RATE	
	2023 $000	2022 $000	2023 $000	2022 $000
Interest rate swap	200,000	200,000	nil-1.9%	nil-1.1%

The contracts require settlement of net interest receivable or payable every month. The settlement dates align with the dates on which interest is payable on the underlying debt.

22 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of change in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges of borrowings.

	IMPACT ON POST TAX PROFITS		IMPACT ON OTHER COMPONENTS OF EQUITY	
	2023 $000	2022 $000	2023 $000	2022 $000
+100 bp variability in interest rate	(2,200)	(2,400)	3,200	2,200
–100 bp variability in interest rate	2,200	2,400	(3,300)	(2,300)

(iv) Commodity Price

The Group's exposure to commodity price risk arises from the requirement to purchase grain commodities to support the operations of the business. To manage the commodity price risk, the Group enters into forward contracts to purchase grain to provide forward coverage on price and volume. This is performed through monitoring market movements in commodity prices. As these are forward contracts for items to be used in the ordinary course of business, no derivative asset or liability is recognised at year end.

(b) Credit risk

Credit risk arises from cash and cash equivalents, in the money derivative financial instruments, deposits with banks and financial institutions and the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group has a credit policy which provides guidelines for the management of credit risk. The guideline provides for the manner in which the credit risk of customers is assessed and the use of credit ratings and other information in order to set appropriate account limits. Customers that do not meet minimum credit criteria are required to pay up front. Customers who fail to meet their account terms are reviewed for continuing credit worthiness.

The maximum exposure to credit risk at the reporting date is the carrying amount of the accounts receivable. For some trade receivables the Group may obtain security in the form of credit insurance. Revenues from five key customers accounted for 55% to 65% of revenue for the year ended 24 June 2023 (2021: 55% to 65%) relating to both operating segments.

Individual receivables which are known to be uncollectable are written off by reducing the carrying amount directly. The Group considers receivables to be in default when the following indicators are present:

- significant financial difficulties of the debtor; and
- probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments.

Receivables for which an impairment provision was recognised are written off against the provision when there is no reasonable expectation of recovering additional cash.

Impairment losses are recognised in profit or loss within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses.

22 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising the Group's undrawn re-drawable term cash advance facility below) and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios.

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	2023		2022	
	$000 DRAWN	$000 AVAILABLE	$000 DRAWN	$000 AVAILABLE
Floating rate				
Expiring beyond one year	400,000	139,000	400,000	138,000

The following liquidity risk disclosures reflect all contractually fixed repayments and interest resulting from recognised financial liabilities and derivatives as of 24 June 2023. The timing of cash flows for liabilities is based on the contractual terms of the underlying contract.

	CARRYING VALUE $000	CONTRACTUAL CASH FLOWS $000	LESS THAN 1 YEAR $000	1 YEAR TO 5 YEARS $000	MORE THAN 5 YEARS $000
2023					
Trade payables	297,300	297,300	296,300	1,000	–
Inventory procurement trade payables	132,200	132,200	132,200	–	–
Other payables	36,900	36,900	33,600	3,300	–
Interest bearing liabilities	398,800	400,000	–	400,000	–
Lease liabilities	1,368,500	1,797,500	205,600	819,100	772,800
	2,233,700	**2,663,900**	**667,700**	**1,223,400**	**772,800**
2022					
Trade payables	288,900	288,900	287,900	1,000	–
Inventory procurement trade payables	141,500	141,500	141,500	–	–
Other payables	25,100	25,100	23,200	1,900	–
Interest bearing liabilities	398,900	400,000	–	400,000	–
Lease liabilities	1,403,600	1,804,400	235,200	750,100	819,100
	2,258,000	**2,659,900**	**687,800**	**1,153,000**	**819,100**

23 INTEREST IN JOINT ARRANGEMENTS

A subsidiary has a 50% interest in the joint venture entity, AFB International Pty Limited, the principal activity of which is the supply of high quality and performance palatability products under Bioproducts BioFlavor brand name to the pet food industry in Australia, New Zealand and the Pacific Rim. Information relating to the joint venture entity, presented in accordance with the accounting policy described in note 2(b), is set out below.

	OWNERSHIP INTEREST		CARRYING VALUE OF INVESTMENT	
	2023 %	2022 %	2023 $000	2022 $000
AFB International Pty Limited				
Pet food manufacturer	50	50	2,300	2,300
Movement in investment in joint arrangements:				
Opening balance			2,300	2,100
Add: share of net profit of joint venture			400	400
Less: dividend received from joint venture			(400)	(200)
Closing balance			**2,300**	**2,300**

During the year the Group sold goods and services to AFB International Pty Limited to the value of $7,153,776 (2022: $6,219,036). At balance date the amount owed from AFB International Pty Limited to the Group is $671,267 (2022: $768,001). Outstanding balances are unsecured and on normal commercial terms and conditions.

24 CONTINGENT LIABILITIES

Workers' Compensation

State WorkCover authorities require guarantees against workers' compensation self-insurance liabilities. The guarantee is based on independent actuarial advice of the outstanding liability. Workers' compensation guarantees held at each reporting date do not equal the liability at these dates due to the timing of issuing the guarantees.

The probability of having to make a payment under these guarantees is considered remote.

No provision has been made in the consolidated financial statements in respect of these contingencies, however provisions for self-insured risks, which includes liabilities relating to workers' compensation claims, have been recognised in the Consolidated Statement of Financial Position at the reporting date.

Claims

Ingham's is subject to some lawsuits, claims and audits or reviews by regulatory bodies. As at reporting date, it is not possible to reasonably estimate the outcome of these matters or the outflow of resources (if any) that will be required to close the matter. Where outcomes can be reasonably predicted, provisions are recorded.

25 COMMITMENTS

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2023 $000	2022 $000
Property, plant and equipment	31,600	36,500

26 EARNINGS PER SHARE

Basic EPS is calculated by dividing profit for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

	2023 $000	2022 $000
Earnings		
Profit attributable to ordinary equity holders for calculating basic and diluted EPS calculations	60,400	35,100

	NUMBER OF SHARES '000	NUMBER OF SHARES '000
Number of ordinary shares		
Weighted average number of ordinary shares used in the calculation of basic EPS	371,700	371,500
Dilutive effect of share options	1,310	1,500
Weighted average number of ordinary shares for diluted EPS	**373,010**	**373,000**
Basic EPS (cents per share)	16.3	9.5
Diluted EPS (cents per share)	16.2	9.4

27 REMUNERATION OF AUDITORS

During the period the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firm.

	2023 $000	2022 $000
Amounts received or due and receivable by KPMG for:		
Audit and review of financial statements	850	778
Other assurance services	24	8
Total amount paid or payable to auditors	**874**	**786**

28 PARENT ENTITY FINANCIAL INFORMATION

Summary financial information

	2023 $000	2022 $000
Current assets	400	3,800
Non-current assets	522,700	462,700
Total assets	**523,100**	**466,500**
Current liabilities	2,000	1,300
Non-current liabilities	401,300	401,400
Total liabilities	**403,300**	**402,700**
Net assets/(liabilities)	**119,800**	**63,800**
Equity		
Contributed equity	107,200	107,200
Accumulated profit/(losses)		
Accumulated losses[1]	(92,300)	(92,300)
Profit reserve[1]	89,500	33,300
Cash flow hedge reserve	8,900	9,100
Share-based payments reserve	6,500	6,500
	119,800	**63,800**
Profit for the year	**74,800**	**65,700**
Total comprehensive income	**74,800**	**65,700**

(1) Reported accumulated losses ($67.1 million) and reported profit reserve of $8.1 million for FY22 comparative year have been restated due to a reclassification within equity. This reclassification only impacts on the parent entity of Inghams Group Limited.

The parent entity continues to be a going concern despite the net current liability, as the Group has a Deed of Cross Guarantee in place, along with undrawn funding lines.

The parent entity does not have any commitments, contingent liabilities or guarantees as at 24 June 2023.

29 DEED OF CROSS GUARANTEE

Inghams Group Limited and all of the subsidiaries shown as (c) in note 21 are parties to a deed of cross guarantee dated 22 May 2017, under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under *ASIC Corporations (Wholly Owned Companies) Instrument 2016/785* issued by the Australian Securities and Investments Commission.

The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

29 DEED OF CROSS GUARANTEE (CONTINUED)

(a) Consolidated income statement, statement of comprehensive income and summary of movements in retained earnings

The companies shown as (c) in note 21 represent a 'closed group' for the purposes of the Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Inghams Group Limited, they also represent the 'extended closed group'.

Set out below is a condensed consolidated income statement, consolidated statement of comprehensive income and a summary of movements in consolidated retained earnings for the period ended 24 June 2023 of the closed group.

	2023 $000	2022 $000
Consolidated income statement		
Revenue from continuing operations		
Revenue	3,044,000	2,713,100
Other income		
Other income	3,200	400
Expenses		
Cost of sales	(2,532,900)	(2,311,300)
Distribution	(201,300)	(175,700)
Administration and selling	(163,300)	(130,800)
Net finance costs	(76,200)	(65,100)
Share of net profit of associate	400	400
Profit before income tax	**73,900**	**31,000**
Income tax benefit/(expense)	(13,700)	400
Profit for the year	**60,200**	**31,400**
Consolidated statement of comprehensive income		
Profit for the year	60,200	31,400
Other comprehensive income	700	17,600
Total comprehensive income for the year	**60,900**	**49,000**

29 DEED OF CROSS GUARANTEE (CONTINUED)

(b) Consolidated balance sheet

Set out below is a consolidated balance sheet of the closed group.

	2023 $000	2022 $000
Cash and cash equivalents	134,200	126,500
Trade and other receivables	268,300	221,700
Biological assets	159,800	135,600
Inventories	220,500	238,700
Derivative Financial Instruments	2,200	5,600
Current tax receivable	–	1,400
Total current assets	**785,000**	**729,500**
Property, plant and equipment	493,800	77,300
Equity accounted investments	2,300	2,300
Right-of-use assets	1,275,600	1,319,400
Derivative Financial Instruments	1,200	5,400
Deferred tax assets	14,300	3,900
Total non-current assets	**1,787,200**	**1,808,300**
Total assets	**2,572,200**	**2,537,800**
Trade and other payables	462,100	452,500
Provisions	98,300	97,000
Related party payables	11,200	10,100
Lease liabilities	154,600	186,700
Current tax payable	3,000	–
Total current liabilities	**729,200**	**746,300**
Trade and other payables	3,300	1,900
Borrowings	398,800	398,900
Provisions	37,500	29,600
Lease liabilities	1,213,900	1,216,900
Total non-current liabilities	**1,653,500**	**1,647,300**
Total liabilities	**2,382,700**	**2,393,600**
Net assets	**189,500**	**144,200**
Equity		
Contributed equity	104,600	104,200
Other reserves	46,500	46,200
Retained earnings/(Accumulated losses)	38,400	(6,200)
Total equity	**189,500**	**144,200**

30 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the year end a dividend of 10 cents per share has been declared on 17 August 2023 totalling $37.2 million. The financial effect of this dividend has not been brought to account in these consolidated financial statements and will be recognised in subsequent financial reports.

Also subsequent to the year end, on 9 August 2023, Ingham's received formal approval from the Overseas Investment Office in relation to the transaction to acquire Bromley Park Hatcheries business in New Zealand. There are still several further conditions precedent required to be satisfied prior to the transaction being completed, expected during Q2 FY24.

Other than the dividend declaration and matter noted above, the directors of the Company are not aware of any other matter or circumstance not otherwise dealt with in the financial report that significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs in the period subsequent to the year ended 24 June 2023.

DIRECTORS' DECLARATION

1. In the opinion of the directors:
   (a) the consolidated financial statements and notes set out on pages 92 to 136 are in accordance with the *Corporations Act 2001*, including:
      (i) giving a true and fair view of the Group's financial position as at 24 June 2023 and of its performance for the financial year ended on that date, and
      (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
   (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(a); and
   (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. There are reasonable grounds to believe the Company and the Group entities identified in note 29 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those Group entities pursuant to *ASIC Corporations (Wholly Owned Companies) Instrument 2016/785.*
3. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer, for the financial year ended 24 June 2023.
4. The directors draw attention to note 2(a) to consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the directors.

Helen Nash
Chair

Michael Ihlein
Non-Executive Director

Sydney
17 August 2023

Independent Auditor's Report

To the shareholders of Inghams Group Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Inghams Group Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 24 June 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 24 June 2023
- Consolidated income statement, Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.
The year is the 52-week period ended on 24 June 2023.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Accounting for revenue
- Accounting for AASB 16 Leases

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for revenue – (revenue $3,044.0 million)

Refer to Note 2 (d) and 3 to the Financial Report

The key audit matter	How the matter was addressed in our audit

The Group's policy is to recognise revenue at the fair value of the consideration received or receivable and is net of returns, trade allowances, rebates and amounts collected on behalf of third parties, when goods have been dispatched to a customer pursuant to a sales order and control of the goods has passed to a carrier or customer.
 	
The accounting for revenue is a key audit matter due to the:
 	
• Significance of revenue, trade allowances and rebates to the financial report;
• Number of categories of customers including retail, quick service restaurants and foodservice, which attract different trade allowances and rebate terms. This requires our evaluation to be performed across these categories;
• Variety of customer-specific contractual arrangements for trade allowances and rebates, increasing the audit effort to address these specific conditions;
• Differing settlement terms for customers which leads to complexity in checking the accruals at balance date across the portfolio; and
• The significant audit effort to test the high volume of individual revenue transactions.
 	
In assessing this key audit matter, we involved senior audit team members who understand
	Our procedures included:
	
	• Considering the appropriateness of the Group's accounting policies regarding revenue recognition, trade allowances and rebates against the requirement of the Australian Accounting Standards;
	• Obtaining an understanding of the revenue recognition process, including trade allowances and rebates. We tested key revenue process controls such as system configuration to generate complete and accurate sales invoices from sales orders and review and authorisation of price changes.
	• Selecting samples of revenue transactions during the year across each customer category. For each sample selected we:
	  - Checked the amount of revenue recorded by the Group to the amount of the sales invoice and cash receipts obtained from the Group's bank statements; and
	  - Checked the date the revenue was recognised by the Group to proof of delivery documents and/or customer correspondence, assessing the date the customer obtained control, and products were delivered and accepted by the customer.
	• The Group has manual processes and controls which may increase the risk of potential bias in the recognition of product revenue, in

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the Group's business, industry and the economic environment it operates in.	particular in the last week of the reporting period. This increased our audit effort to test higher samples of revenue transactions in the last week of the reporting period; • Selecting a sample of revenue transactions, across each customer category, for the period of one week before and one week after year end due to the increased risk of potential bias. For each sample selected we: - Checked the amount of revenue recorded by the Group to the amount of the sales invoiced to the customer; and - Checked the date the revenue was recognised to proof of delivery documents and/or customer correspondence, assessing the date the customer obtained control, and products were delivered and accepted by customers. • Checking a sample of rebates and trade allowances recorded to claims received by customers; • Comparing the amount of the trade allowances and rebates by customer as a percentage of gross revenue to the prior year; • Assessing the trade allowance and rebate accruals recognised at balance date for a sample of significant customers by: - Calculating an expected trade allowance and rebate accrual per customer based on specific customer trading and settlement terms and the gross revenue amount for the time period since last payment date to balance date; and - Comparing this to the Group's recognised balance date accrual; and • Assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard.

<table>
<tr><th colspan="2">Accounting for AASB 16 Leases – (right of use assets and lease liabilities amounting to $1,275.6 million and $1,368.5 million respectively)</th></tr>
<tr><td colspan="2">Refer to Notes 2 (n), 11 and 22 to the Financial Report</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>AASB 16 Leases ("AASB 16") is complex with specific lease-features driving different accounting outcomes, increasing the need for interpretation and judgement.

AASB 16 Leases is a key audit matter due to the:

• Significance of the right of use assets and lease liabilities to the financial report
• Number of leases the Group has, including the individual nature of the lease agreements used to estimate the lease liability and right-of-use asset. A focus for us was the accuracy of multiple and varied inputs which may drive different accounting outcomes, including key dates, fixed and variable rent payments, renewal options and incentives.

The most significant areas of judgement we focussed on was in assessing the Group's:

• Renewal options contained within leases. Assessing the Group's determination of whether it is reasonably certain renewal options will be exercised impacts the measurement of the lease, therefore is critical to the accuracy of the accounting.
• Grower contractual arrangements and the features of the underlying grower contracts against the definition of a lease under the accounting standards.
• Incremental borrowing rates determined by the Group. These are meant to reflect the Group's entity specific credit risk and vary based on each lease term.

We involved our senior audit team members in assessing these areas.</td><td>Our procedures included:

• Considering the appropriateness of the Group's accounting policies against the requirements of the accounting standard and our understanding of the business and industry practice;
• Obtaining an understanding of the Group's processes used to calculate the lease liability, right-of-use asset, depreciation, and interest expense;
• Reading a sample of contracts, including the grower contracts. We compared the relevant features of the underlying contracts to the definition of a lease in the accounting standards to assess the accounting treatment recognised by the Group;
• Comparing the Group's inputs in the AASB 16 lease calculation model, such as key dates, fixed and variable rent payments, renewal options and incentives, for consistency to the relevant terms of a sample of underlying signed lease agreements;
• Evaluating the Group's assessment of lease renewal options based on the Group's strategic direction including inquiries with operational management;
• Challenging the Group's assumptions, such as the Group's assessment of each lease's incremental borrowing rate and contracted extension options by:
  - Using our understanding of the Group's business
  - Independently developing an expected lease liability range by considering the:
    • Group's external credit rating;
    • Each lease's remaining tenor;
    • Corporate bond yield curves; and
    • The Group's strategic direction for each leased site;
  - Comparing the independently developed expected lease liability range to the lease liability value recorded by the Group</td></tr>
</table>

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	• Assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard.

Other Information

Other Information is financial and non-financial information in Inghams Group Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal controls to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf
This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Inghams Group Limited for the year ended 24 June 2023, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 69 to 90 of the Directors' report for the year ended 24 June 2023.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

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Julie Cleary

Partner

Sydney

17 August 2023

SHAREHOLDER INFORMATION

TWENTY LARGEST REGISTERED SHAREHOLDERS (AS AT 28 AUGUST 2023)

RANK	NAME	UNITS	% ISSUED CAPITAL
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	123,713,860	33.29
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	75,724,048	20.37
3	CITICORP NOMINEES PTY LIMITED	39,270,052	10.57
4	BNP PARIBAS NOMS PTY LTD <DRP>	16,092,648	4.33
5	NATIONAL NOMINEES LIMITED	10,780,780	2.90
6	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	3,600,692	0.97
7	FIRST SAMUEL LTD ACN 086243567 <ANF ITS MDA CLIENTS A/C>	2,802,330	0.75
8	NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	2,524,001	0.68
9	MASFEN SECURITIES LIMITED	1,500,000	0.40
10	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	984,312	0.26
11	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	961,198	0.26
12	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING COLLATERAL >	860,600	0.23
13	WOODROSS NOMINEES PTY LTD	775,693	0.21
14	MS ROBYN LEE HIND + MR ROBERT EDWARD HIND + MRS RUTH ETHEL HIND	735,552	0.20
15	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	720,857	0.19
16	NCH PTY LTD	532,963	0.14
17	BM CARR ENTERPRISES PTY LTD <CARR INVESTMENT A/C>	427,000	0.11
18	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	409,290	0.11
19	NULIS NOMINEES (AUSTRALIA) LIMITED <NAVIGATOR MAST PLAN SETT A/C>	408,736	0.11
20	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	406,962	0.11
	Top 20 holders of FULLY PAID ORDINARY SHARES (Total)	**283,231,574**	**76.20**
	Total Remaining Holders Balance	**88,448,027**	**23.80**

DISTRIBUTION OF HOLDINGS (AS AT 28 AUGUST 2023)

RANGE	NUMBER OF HOLDERS	NUMBER OF SHARES	% OF ISSUED CAPITAL
100,001 and Over	75	292,060,420	78.58
10,001 – 100,000	1,924	44,268,494	11.91
5,001 – 10,000	2,420	18,359,873	4.94
1,001 – 5,000	5,509	15,001,646	4.04
1 – 1,000	3,770	1,989,168	0.54
Total	**13,698**	**371,679,601**	**100.00**[1]

1. Minor difference in total due to rounding.

There are 239 shareholders holding less than a marketable parcel of shares (as at 28 August 2023).

SUBSTANTIAL SHAREHOLDERS (AS DISCLOSED IN SUBSTANTIAL HOLDER NOTICES GIVEN TO THE COMPANY AS AT 28 AUGUST 2023)

SHAREHOLDER	NUMBER OF SHARES	% OF ISSUED CAPITAL
AustralianSuper	36,560,843	9.84%
FMR	33,166,170	8.92%
Mondrian	29,331,944	7.89%

ESCROW SHARES

As at 28 August 2023, there were no shares subject to escrow agreements.

UNQUOTED SECURITIES

As at 28 August 2023, the total number of performance rights on issue equalled 2,699,487 held by 32 individual participants.

SHARES AND VOTING RIGHTS

All 371,679,601 issued shares in the Company are ordinary shares, held by 13,698 shareholders. Voting rights for ordinary shares are:

- on a show of hands, one vote for each shareholder; and
- on a poll, one vote for each fully paid ordinary share.

There is no current on-market buy-back.

CORPORATE DIRECTORY

Directors

Helen Nash
Rob Gordon
Margaret Haseltine (appointed 1 September 2023)
Michael Ihlein
Timothy Longstaff
Jackie McArthur
Linda Bardo Nicholls AO
Andrew Reeves

Company Secretary

Marta Kielich

Registered Office

Level 4, 1 Julius Avenue
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Australia

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Website: www.inghams.com.au

Auditors

KPMG
Level 38, Tower Three, International Towers
Sydney 300 Barangaroo Avenue
Sydney, NSW 2000

Share Registry

Computershare Investor Services Pty Ltd
GPO Box 2975
Melbourne VIC 3001

Tel: 1300 850 505
+61 3 9415 4000

Email: Web.Queries@computershare.com.au
Website: www.computershare.com.au

Australian Securities Exchange

ASX code: ING

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