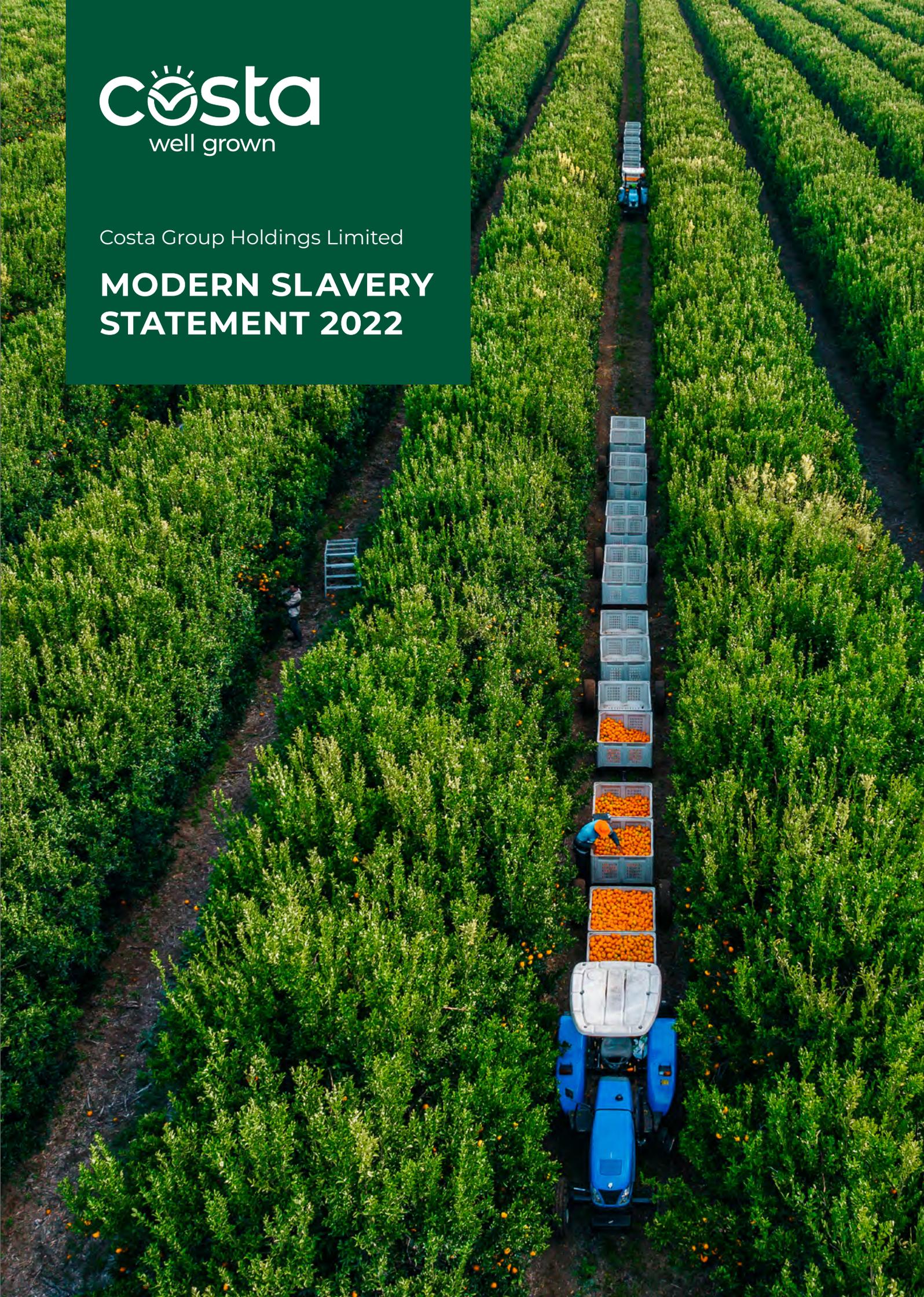




Costa Group Holdings Limited

MODERN SLAVERY STATEMENT 2022



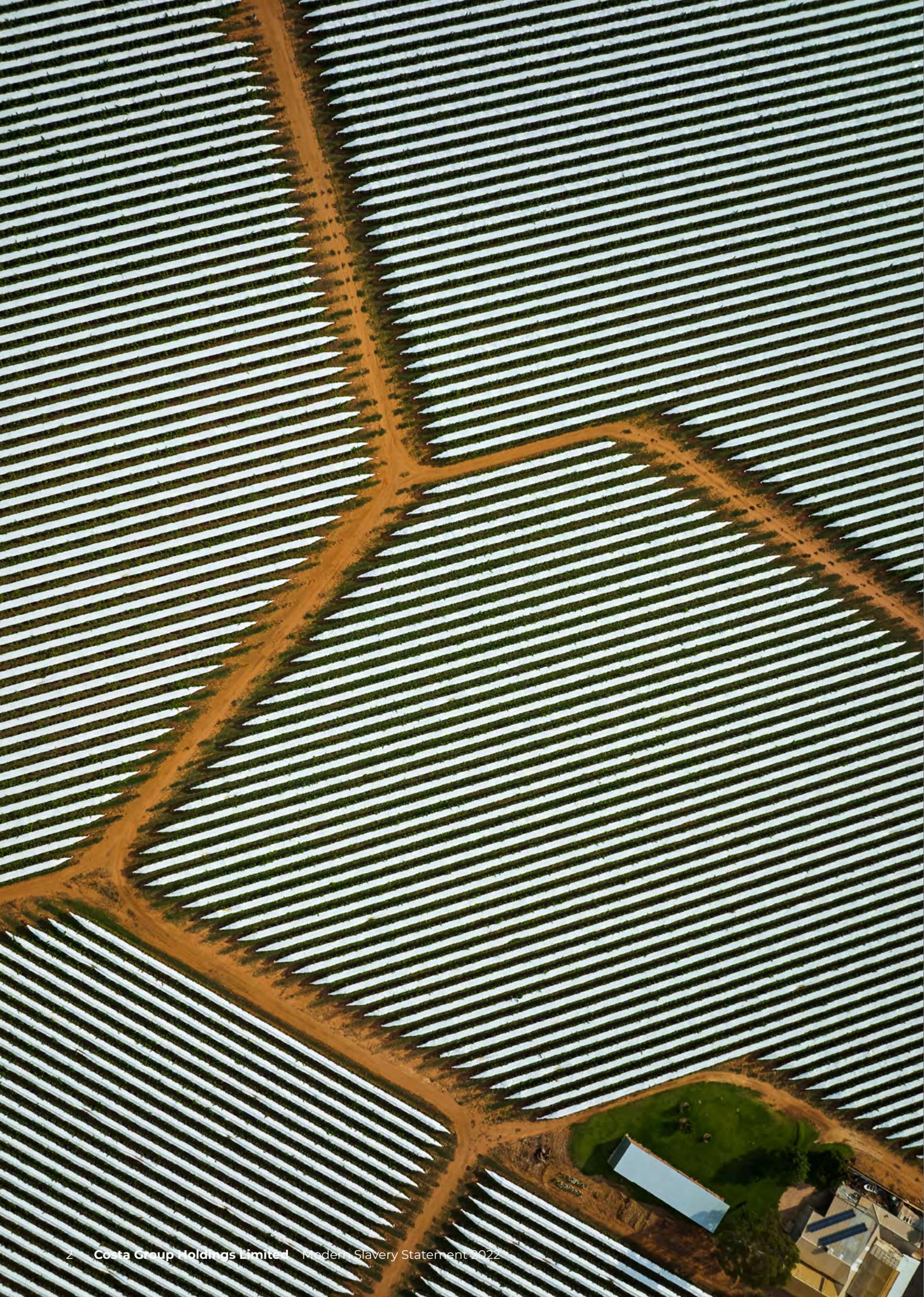


TABLE OF CONTENTS

Statement on the reporting entity	3
Message from the CEO	4
Structure, operations and supply chain	5
Structure	5
Operations	5
Employees.....	7
Supply Chain	7
Risks of modern slavery practices.....	10
Our operations	10
Supply chain.....	11
Modern slavery risks due diligence and remediation.....	12
Working Group	13
Policy Framework	14
Due Diligence	15
Grievance mechanisms	21
Remediation.....	22
Training and Communication	24
Assessing the effectiveness of our actions.....	25
Consultation with subsidiary entities.....	26
Additional Information	26
Looking ahead.....	27
Action plan for 2023	27
Statement approval.....	28
Appendix A	30
Appendix B	31

Acknowledgement of Country

In the spirit of reconciliation Costa acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea, and community. We pay our respects where we live work and grow, and across all Costa locations to elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

STATEMENT ON THE REPORTING ENTITY

Costa Group Holdings Limited (Costa) is an Australian public company listed on the Australian Securities Exchange (ASX code: CGC).

The head office location is Unit 1, 275 Robinsons Road Ravenhall Victoria 3023 Australia. This Statement has been published in accordance with the Modern Slavery Act 2018 (Cth) (MSA or Act). It covers Costa Group Holdings Limited and its wholly owned entities.

This Statement also covers African Blue SA, and its subsidiaries, including Sweet Berry SA and African Blue (UK) Limited (together African Blue), which is a joint venture between Costa and Total Produce Limited, and the Costa Driscoll's joint venture in China.

A full list of Costa's Australian and international subsidiaries, which are covered by this Modern Slavery Statement, is included in Appendix A.

This Modern Slavery Statement was approved by the board of Costa Group Holdings Limited in their capacity as principal governing body on 21 March 2023.

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MESSAGE FROM THE CEO

This is Costa's third Modern Slavery Statement, covering the calendar year December 27, 2021 to January 1, 2023. The Statement outlines the ongoing actions we are taking to address and mitigate the risk of modern slavery within our operations and our supply chain, and where possible identify areas of improvement in our approach to human rights.

I am pleased to present our third Modern Slavery Statement. As Australia's leading producer of fresh fruit and vegetables and with international operations in China and Morocco, we take seriously the role we play in protecting and promoting the human rights of workers in our business and across our supply chain.

In 2022, our focus has been on advancing the understanding and awareness of human rights across our business and ensuring our processes and actions properly protect human rights.

These actions have included the implementation of new Costa Labour Standards which cover the engagement and oversight practices of all labour engaged by Costa, including people employed directly and through labour hire providers (LHPs).

Through our People Assurance team, which became operational in early 2022, we have also placed considerable emphasis on supporting our LHPs to improve their business practices and ensure compliance with all relevant standards.

Long-term, we are continuing to transition to a centralised, direct employment labour model for the majority of the Pacific Island seasonal workforce and in 2022, more than 1000 direct placements were made from four Pacific countries.

A key element of our direct hire seasonal worker model is ensuring consistent employment standards across the workforce and recognising the importance of providing a welcoming and supportive environment. I am proud of how our workforce came together to support our Tongan colleagues, in the wake of a tsunami which devastated the island nation in 2022. Many of our Pacific Island seasonal workers also showed their strong community connections, banding together to help build levee banks in the face of flooding along the Murray River. These actions are a testament to the care shown across our workforce.

Another key action in 2022 was the rollout of the Costa Remediation Framework, providing guidance for remediation activity in our supply chain.

In 2023, we will continue to enhance and refine our frameworks to support our actions, recognising the cultural and operational differences across our Australian and international operations. We will also continue to work closely with our suppliers and providers and support them to report and respond to issues as they arise.

While we are pleased with our progress, we recognise the importance of striving for continuous improvement across our operations and this includes regularly reviewing our performance and that of our supply chain.

Harry Debney
Interim CEO

STRUCTURE, OPERATIONS AND SUPPLY CHAIN

Structure

Costa is an international farming, marketing and distribution company selling produce globally. Through its subsidiaries, Costa owns and operates farms in Australia, China and Morocco and sources fruit through third-party growers ("partner growers") in Australia, Morocco and elsewhere in Africa and the Americas (see page 9).

Costa owns a controlling share in African Blue SA and its subsidiaries, including Sweet Berry SA and African Blue (UK) Limited (together African Blue), which is a joint venture between Costa and Total Produce Limited. Costa operates a separate joint venture with Driscoll's Inc in China, growing berries for sale into the local Chinese market.

These are all covered by this Modern Slavery Statement.

Costa also operates a joint venture with Driscoll's Inc in Australia and New Zealand to supply fresh

berries to this region through Driscoll's Australia Pty Ltd. As Costa has a 50% interest in that joint venture rather than majority ownership, its operations are not included in this Modern Slavery Statement and the joint venture will report separately in its own Modern Slavery Statement.

Operations

Costa is Australia's leading grower and marketer of fresh fruit and vegetables. In Australia, Costa's operations include approximately +7,200 planted hectares of farmland, 40 hectares of glasshouse facilities and three mushroom growing facilities. Costa supplies fresh fruits and vegetables to all the major Australian supermarket chains, as well as independent grocers and a range of food industry stakeholders.

As at January 1, 2023 the African Blue operation in Morocco covers 349 planted hectares and in China, the joint venture includes 400 planted hectares.

The Costa business model is built on the optimisation of a portfolio of integrated farming, packing, and marketing activities. Costa's products are predominantly grown and sourced from Costa's domestic and international farms, supplemented with produce sourced through a diverse network of partner growers.

Produce is sold and marketed under a range of different brands including Vitor, 2.P.H., Perino, Mush-Boom, Lovacado, African Blue, Fresh Corindi Blueberries and Lady Fingers.

Costa operates across three segments:

- Produce – avocados and bananas, berries, citrus and grapes, mushrooms, and tomatoes.
- International
- Farms and Logistics



Where We Operate

Western Australia

Berry Farms
Gingin, Neergabby

Compost Facility
Mandurah

Distribution Centre
Jandakot

Mushroom Farm
Casuarina

South Australia

Adelaide Wholesale Market
Pooraka

Citrus Farms
Amaroo - Murtho, Pike Creek - Lyrup,
Solara - Loxton, Bookpurnong

Kangara Citrus Farm and Packhouse
Murtho

Mushroom Farm
Monarto

Yandilla Citrus Farm and Packhouse
Renmark

China



- Bailang – Yunnan Province
- Manlai – Yunnan Province
- Guangmen – Yunnan Province
- Manhong – Yunnan Province
- Baoshan - Yunnan Province

Morocco



- Bousselham/Laaouamra
- Kenitra, Larache region Massa
- Agadir (southern) region



Queensland

Avocado Farms
Atherton, Paddys Green, Dimbulah, Childers

Banana Farms
Tully, Walkamin

Berry Farms
Atherton, Tolga, Walkamin

Brisbane Wholesale Market
Rocklea

Citrus Farms
Emerald, Dimbulah

Table Grape Farm
Mundubbera

New South Wales

Avocado Farms
Comboyne, Fishermans Reach

Berry Farms
Corindi, Rosewood, Tumbarumba

Citrus Farm
Trentham Cliffs

Distribution Centre
Eastern Creek

Table Grape Distribution Centre
Euston

Tomato Glasshouses
Guyra

Victoria

Business Support Centre
Ravenhall

Citrus and Table Grape Farm
Colignan

Citrus Farm
Lindsay Point

Compost Facility
Nagambie

Distribution Centre
Derrimut

Melbourne Wholesale Market
Melbourne

Mushroom Farms
Mernda, Yarrambat

Tasmania

Berry Farms
Dunorlan, East Devonport, Lebrina,
Nine Mile, Wesley Vale

Berry Distribution Centre and Packhouse
East Devonport

Devonport Distribution Centre
Quoiba



Employees

The seasonal nature of the Costa business necessitates that our direct and indirect employee numbers will vary during the course of the year and in 2022 our workforce comprised 9,655 full time equivalent workers. This number includes our Morocco and China employees.

In 2022, approximately 82% of Costa's direct hire operation staff in Australia were covered by enterprise (certified) agreements. This figure excludes monthly paid, salaried employees. An enterprise agreement has terms and conditions for the employees it covers. It sets out what entitlements the employer agrees to provide for those employees in their business or organisation.

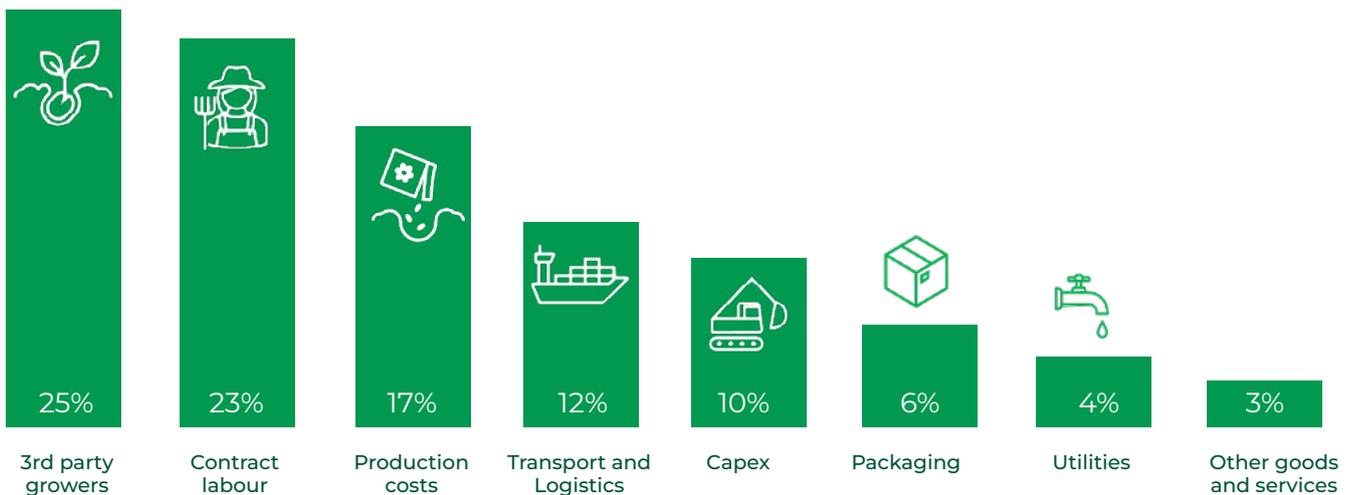
In 2022, our employees included people from at least 102 different nationalities¹.



Supply Chain

Costa's operations span multiple continents, and we source products from Australian and international supply chains. Our supply chains also include labour hire and procurement of other services and goods not for resale.

Supply Chain Expenditure by Category



Graph shows percentage of spend by category of purchase for all Costa operations.

Notes:

1. M&A purchases and land acquisitions are excluded from Capex as they are one-off purchases and do not accurately represent Costa Group's supply chain.
2. Insurance, tax and employee entitlements are excluded from Other goods and services as they do not fall within Costa group's definition of supply chain expenditure.

¹ Australian data based on full-year employees. Includes Moroccan and Chinese as nationalities.



Produce

In 2022, produce sold by Costa in Australia was sourced from 222 partner growers². Costa also imported fruit from five suppliers based in the USA and Mexico.

Product	Number of Partner Growers
Avocado	70
Tomato	7
Grape	60
Citrus	18
Banana	10
Other (various fruit and veg products supplied into wholesale)	57
TOTAL	222

Table 1: Number of partner growers in Australia by product supplied.

Country of Origin	Product	Number of Tier One suppliers
United States	Grapes	4
Mexico	Grapes	1
TOTAL		5

Table 2: Number of Tier one International produce suppliers supplying Costa's Australian operations.

In Morocco, African Blue sells berries grown by African Blue, its subsidiaries, and licensed growers of Costa blueberry varieties in Africa. In 2022, there were a total of seven third-party growers in Morocco. African Blue also had three third-party growers in South Africa and eight in Zimbabwe.

The China Joint Venture does not use third-party growers.

Labour hire and other services

In 2022, Costa utilised the services of 27 labour hire providers to meet the labour force requirements for harvest in its Australian operations (see page 19).

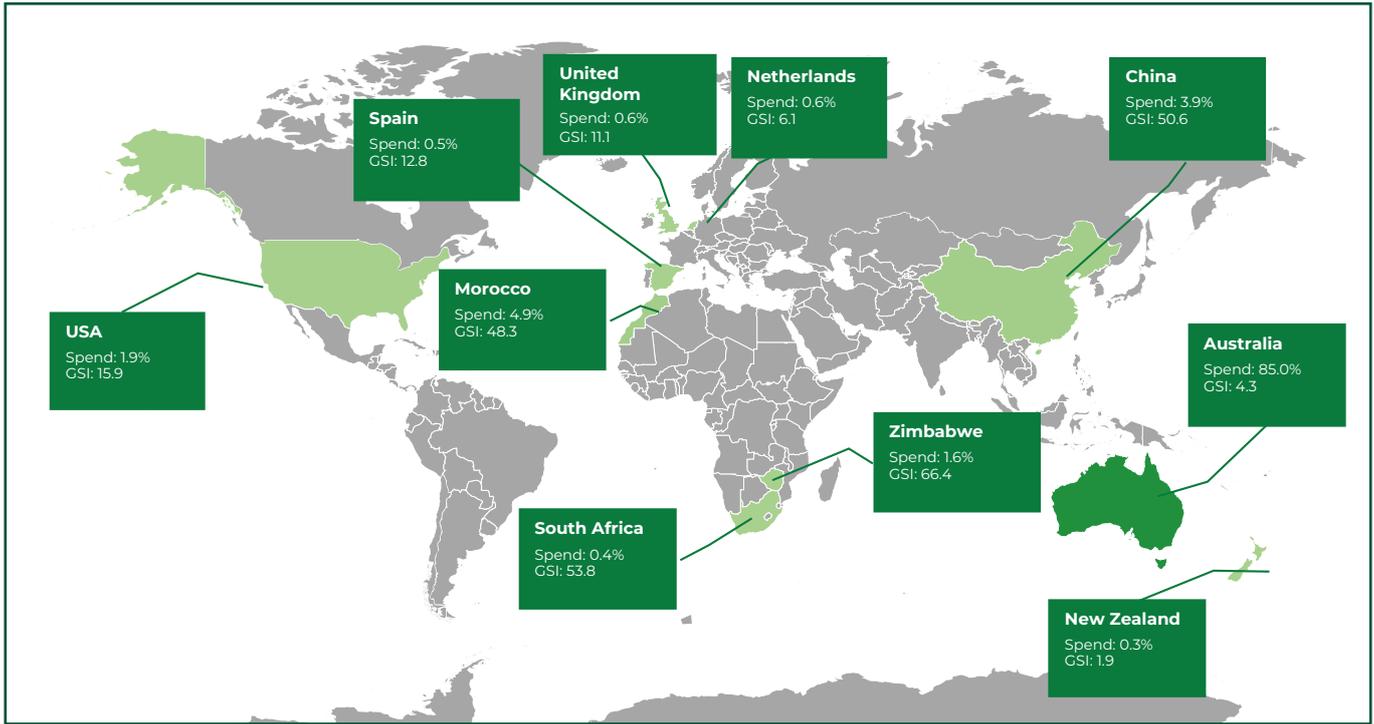
African Blue uses two labour hire providers in the south of Morocco.

All labour is engaged directly for our farms in China. Labour agencies are used to assist in sourcing labour, and are paid a fee for this service, but the employment relationship is directly with Costa.

A range of other services are used by Costa including: transport services such as road freight (domestic fresh produce transport), sea freight (export of fresh produce), warehousing, cleaning, and security.

² Growers supplying to Driscoll's Australia are not included in references to Costa's partner grower base within this statement and will be reported as part of Driscoll's Australia's Modern Slavery Statement

Supply Chain Expenditure by Country



Goods

Suppliers provide a range of goods not for resale. The largest categories, excluding produce grown by third-party growers and contract labour, are for production costs, transport and logistics and capital expenditure. For our domestic operations, these are predominantly sourced from Australian based companies; however, their supply chains may be geographically diverse ranging from small businesses to global companies.

The map represents supplier spend by country for Australian and international operations. The top 10 countries by spend are displayed and the Global Slavery Index for each country is included³. We recognise that in some instances companies we engage with as suppliers in Australia may be sourcing products internationally. Where we have identified this as high risk, we work with suppliers to mitigate the risks of modern slavery.



³ <https://www.globallslaveryindex.org/2018/methodology/vulnerability/>

RISKS OF MODERN SLAVERY PRACTICES

Costa's operations span multiple continents, and we source products from Australian and international suppliers, who in turn have local and international supply chains. Given the large number and geographic diversity of stakeholders operating across the supply chain, Costa recognises there is potential across this complex and dynamic environment for slavery and human trafficking to occur.

The Global Slavery Index 2018⁴ identified Australian agriculture as an industry at risk for cases of forced labour to occur. Forced labour of temporary work visa holders, in particular individuals on working holiday visas, Seasonal Work program visas, international student visas and skilled temporary 457 visas, is identified as a risk in Australian industries including agriculture, construction, domestic work, meat processing, cleaning, hospitality, and food services.

In horticulture, the types of slavery identified as being most likely are forced labour, debt bondage and deceptive recruiting for labour or services.

These types of slavery have been identified because the horticultural sector has a high reliance on migrant workers, many of whom have limited understanding of English and who may be less aware of their human rights. They are primarily undertaking seasonal tasks (ie. picking and packing work) and are often employed under temporary or casual employment arrangements in regional and remote locations. Workers may be on temporary visas, with some of these visa categories binding an employee to a specific employer for the duration of their stay in Australia, for example through the Australian Government's Seasonal Worker Program.

Costa's workforce includes people from 102 different nationalities, many with English as a second language, which is an indicator of possible risk.

CASE STUDY

In 2022, a new minimum wage guarantee was introduced as part of the Horticulture Award. The change, effective from the first pay period on or after 28 April 2022, means that workers paid a piece rate are guaranteed a minimum wage for each day that they work. Part of the change included new record-keeping obligations, including a record of the hours worked.

With a large cohort of Costa's workforce having English as a second language, a project was initiated during the latter part of the year to translate the Piecework Record in a visual way that would be more easily understood.

Using the services of an external translation company, the Piecework Record document is being developed using pictures to help ensure information is conveyed effectively.

In 2023, the document will be used as a training and induction tool for new employees across the business to explain piece work to them and to outline the Piecework Record that they will receive every morning when performing a piecework task.

Our operations

Costa has in place robust systems, policies and procedures aimed at protecting the rights of all our employees, and ensuring adequate checks are carried out to minimise the risk of modern slavery occurring.

In our Australian and international operations, where we directly recruit workers, the risk of modern slavery occurring has been assessed as being relatively low, despite the risks outlined, as we have implemented a number of controls with the aim to mitigate these risks (see section on Due Diligence page 16).

This includes a centralised payroll system which monitors work hours and deductions for employees. In Australia certified agreements are

in place covering 82% of direct hire operation staff, and the remainder are under Employment Contracts.

In our international operations, all employees are covered by a contract of employment.

Each business unit within Costa, including our international operations, has a dedicated Human Resources team, which is supported by a central HR team.

In our international operations, geographical risk has been identified as we operate in China and Morocco, which are both considered to have higher modern slavery risks⁵.

⁴ Global Slavery Index 2018 (<https://www.globalslaveryindex.org/2018/findings/country-studies/australia/>)

⁵ Global Slavery Index 2018: China – Prevalence 111/167 (proportion of people living in slavery 2.77/1000); Morocco – Prevalence 121/167 (proportion of people living in slavery 2.45/1000); Australia 163/167 (proportion of people living in slavery 0.65/1000)

Supply chain

With a diverse supply chain, we understand our risk profile will continue to evolve and we continue to assess our modern slavery risks across our supply chain including due diligence on new suppliers and periodic review of existing suppliers.

We draw on the UN Guiding Principles on Business and Human Rights (UNGPS) to understand how our business could be at risk of being involved in modern slavery and other human rights harm.

This could occur in three ways – by causing, contributing or being directly linked to harm.

In our supply chain, several key areas have been identified where there is considered to be a heightened risk of modern slavery.

Potential risks caused by Costa

Use of labour hire: Costa engages temporary and seasonal workers through labour hire companies during certain times of the year. Rigorous controls and due diligence processes are in place for the engagement of third-party labour hire providers to help mitigate this risk.

Potential risks contributed to by Costa

Partner growers: Costa sources produce from partner grower farms which may present a higher risk of modern slavery. A number of our partner growers have been selected to undertake third-party social audits to the Sedex Members Ethical Trade Audits (SMETA) standard. We will continue to raise awareness with and provide tools to partner growers to assist them to improve in this area, acknowledging that some growers are significantly less resourced. Through our targeted ethical sourcing program Costa aims to monitor, educate and mitigate these risks.

Certain not for resale goods and services: Costa has identified certain not-for-resale goods and services that due to their nature and/or geographical location have an inherently higher risk of modern slavery. These goods and services represent a small percentage of overall spend, and include such items as gloves manufactured in Asia, solar panels and some chemical inputs or cleaning and security services.

Potential risks linked to Costa

Produce from outside the Costa/partner grower network: A very small percentage of Costa's wholesale business (Costa Farms and Logistics) acquires some fresh produce through intermediaries such as brokers and marketing agents on a market trading basis often in circumstances where it does not have direct grower relationships.



MODERN SLAVERY RISKS DUE DILIGENCE AND REMEDIATION

Costa has implemented an Action Plan covering the period 2020-2022, which details Costa's continuous improvement approach to modern slavery, including measurable outcomes and deadlines. As part of our ongoing commitment, a new Action Plan for the period 2023-2025 will be developed.

In 2022, specific targets were set to help drive Costa's actions to mitigate human rights and modern slavery risks in our operations, and across our supply chain.

Our progress against our 2022 targets is outlined in the table below.

Description	Target		
% Australian Growers/ Suppliers on Sedex – or equivalent	100% direct growers/ labour hire providers and 100% of all other suppliers identified by Costa as High Risk.	99% of partner growers have been registered on Sedex during the reporting year.	
		96% of Labour Hire Contractors have been registered on Sedex during the reporting year.	
		85% of suppliers of services and goods not for resale and identified as high risk (based on a spend threshold) are either registered on Sedex or have provided evidence of their own Modern Slavery Statement and policies.	
Advanced Awareness Raising training for people in key roles	In 2022, train 100% of people currently in key roles*.	In 2022, 204 people identified as in key roles were enrolled in the Tackling Modern Slavery in Business – Australia online learning module.	
		95% completed or in progress, noting some enrolments occurred late in 2022.	
		5% not started. (see page 24)	
	Train people newly entering key roles within six months of their commencement in that role.	Ongoing as people commence. The Costa Board also received Modern Slavery Training during the reporting period.	
General awareness training	Prepare Awareness Training Modules/ materials and make available on Costa Central – and directly encourage 100% of staff to view.	The development of the Costa Central app did not proceed in 2022. However, a range of other communication delivery methods, including Toolbox Talks, were used to convey information about Modern Slavery.	
	Use additional tools for communication as required.	Developed the Costa intranet site as a repository of MS information for all salaried staff.	
	General awareness communication to be provided to 100% of partner growers.	Information sent to 100% Partner Growers.	

*roles having significant labour management and/or supervisory responsibilities, along with all human resources and procurement roles.

Description	Target		
Audits	10% of grower sites audited within the 2022 reporting period.	15% of partner grower sites were audited to the SMETA audit standard in 2022.	
Whistleblower hotline	100% of sites including international sites to display hotline posters in local languages.	100% (see Training and Communication page 24)	
% suppliers to the Australian business in SAP provided the Supplier Code of Conduct**	100%	100%	

*** this excludes the one time and irregular suppliers that are paid for by corporate credit cards that are not registered as suppliers in SAP.*

Working Group

The Costa Modern Slavery Working Group, established in 2021, ensures a co-ordinated and collaborative approach to tackling modern slavery and respecting human rights.

The Working Group's purpose is to review and advise on the strategic direction and performance of Costa's modern slavery response, and to support Costa to deliver a meaningful response to modern slavery.

The Working Group is a cross-functional, skills-based working group that provides advice and recommendations on policies and processes to tackle modern slavery and assists with implementing required actions.

The skills and experience of Working Group members include ethical sourcing, human resources, legal, communications, procurement and operational experience in the sections of Costa's business considered to be most vulnerable to modern slavery. The expertise and skills of the Working Group will be reviewed from time to time to ensure they support the achievement of the purpose of the Working Group.

The Working Group periodically reports back to the Executive and Board on Modern Slavery remediation progress and strategies.





Policy Framework

Costa has a comprehensive suite of policies that reflect our core values, and which outline our ways of working and expectations for our employees and suppliers. Policies are reviewed and updated on a regular basis.

The following policies are most relevant to preventing modern slavery:

Human Rights Policy	Applies across all of our locations and demonstrates our commitment to respecting internationally recognised human rights. It sets out our expectations for the conduct of our employees and suppliers. The Human Rights policy further aligns our approach to the UN Guiding Principles on Business and Human Rights Framework.
Whistleblower Policy	Provides a mechanism encouraging concerns to be raised about illegal or unethical conduct or behaviour by Costa and its employees and others authorised to represent Costa. An independently operated whistleblower hotline is also available for all workers on our farms (including labour hire workers) and other stakeholders.
Recruitment and Selection Policy	Sets our recruitment and selection practices to be fair, equitable and free from discrimination. This includes eligibility to work in Australia and compliance with child labour laws.
Code of Conduct	Sets out the values, commitments, ethical standards, and policies of the Company and outlines the standards of conduct expected of our business and people.
Supplier Code of Conduct	Articulates Costa's expectations and requirements for all suppliers. Costa expects suppliers to respect and be accountable for compliance with this Supplier Code and to develop the necessary tools, record-keeping, and management systems to support this compliance.
Complaints Procedure	The complaints procedure flow charts provide information on the key steps to follow for personal workplace grievances (such as discrimination, harassment or bullying in the workplace) to ensure the situation can be dealt with in an effective and prompt manner.
Anti-Bribery and Anti-Corruption Policy	Supports and supplements Costa's Code of Conduct and Whistleblower Policy and is designed to promote and reinforce Costa's culture of and commitment to lawful and ethical behaviour.
Costa Labour Standards	This standard sets out the Company's commitment to ensuring the health and wellbeing of its workers, whether sourced directly by Costa or through a Labour Hire Provider (LHP).

Due Diligence

Ethical Sourcing Program

Costa's expectation is that all workers employed within the farming and packing operations in our own business, and that of our partner grower supply chain, are employed fairly, treated with dignity and their human rights are respected.

In addition to ensuring that our direct employees are treated fairly and in accordance with all relevant laws, our challenge has been to better understand the social sustainability practices of our partner growers and to build capacity with our suppliers to identify and reduce the risk of modern slavery in our suppliers' businesses and supply chains.

Our approach to Ethical Sourcing is:

- Clear communication on our expectations in the form of the Supplier Code of Conduct.
- Identifying and assessing risks.

- Providing support and information through the use of the Ethical Sourcing bulletin and support guides to mitigate risks.
- Providing remediation support if required.

In Australia, 40 of our own sites have completed self-assessment questionnaires in Sedex and in 2022, we continued our rolling program of Sedex Members Ethical Trade Audits (SMETA) on 27 of these sites. The sites selected for audits are a cross section of all Costa categories and site functions including, farms, packhouse and distribution centres. These audits are focused on labour and health and safety. They are undertaken by an independent third-party certification body and strengthen our monitoring and due diligence of modern slavery risks within our own business. These audits are required to be undertaken during harvest season and if any issues are identified, remedial actions are agreed, implemented and

then verified by the independent certification authority.

As part of our rollout of Sedex within our supplier base, Costa is requiring its primary Australian suppliers to register on Sedex and complete self-assessment questionnaires (SAQ). These entities include partner growers, contract packers, ripening centres, labour hire providers and targeted procurement suppliers.

In Morocco, all eight of our own sites have completed SAQs in Sedex in 2022 and all of these sites have also been audited to SMETA in 2022.

In China, our farms in all three regions have completed SAQs in Sedex. These are being used as an internal assessment and management tool.

CASE STUDY

In 2022, Albert Heijn commissioned ImpactBuying to carry out an impact study on African Blue, one of its long-term fresh fruit suppliers from Morocco.

The research was performed following the UN Principles on Business and Human Rights. The general objective was to identify and assess the potential and current impacts (i.e. risks) caused and contributed to by African Blue's business operations on people (human rights), communities (social issues) and the natural environment. Both positive and negative impacts were included to arrive at a balanced overview of the overall impact. This resulted in recommendations for due action by Albert Heijn and African Blue on reducing the negative impacts and enhancing the positive impacts.

Particular attention was given to women's rights, as women form the main labour force in fruit and vegetables farms and packhouses in the country and women's rights are currently insufficiently covered by Moroccan legislation, which could pose a risk to Albert Heijn and its due diligence.

Comments made in the report include:

"The decent and safe workplace conditions provided by African Blue allow many women to earn an income. African Blue appears to be a gender-sensitive employer, which has enabled women workers to develop and empower themselves and grow into supervisory job and administrative positions. Equal work is equally paid. The company makes specific efforts to reduce possible bottlenecks and strengthening the position of its women workers. For example, the medical services at packhouse premises are run by female doctors and nurses."

The research was implemented over a period between May and December 2022.

Procurement

Our commitment to ensuring human rights are protected extends to our supply chain and our expectations are communicated through our Supplier Code of Conduct.

Costa values integrity and honesty in its business and seeks out these qualities in its partners and employees. Costa seeks to engage in business with other like-minded persons and entities that share the same principles and values.

Costa requires all its suppliers to comply with all applicable laws and, in all cases, to meet the standards and principles set out in the Supplier Code of Conduct. Compliance with such laws, standards and principles is a material consideration for us in assessing every aspect of our supplier relationships.

The Supplier Code of Conduct covers areas including: human rights and modern slavery; health and safety, including safe working conditions and fair wages/compensation; immigration law compliance; and diversity and inclusion.

The Supplier Code of Conduct is incorporated in the Supply Agreements within the domestic supply chain, and all Australian suppliers are provided a copy of the Code as part of the procurement onboarding procedure.

Our current key measure of compliance for suppliers is registration with Sedex and/or evidence that a supplier has established Modern Slavery statements and policies.

In 2022, our focus was on Costa suppliers where our expenditure was over a nominated spend threshold. For this group of suppliers, we have identified and registered approximately 85% of total vendor expenditure as being compliant. There has been an increase in the number of suppliers who have established their own Modern Slavery statements and policies, while supplier Sedex registrations have remained steady.

Costa has set a target of 100% high risk suppliers (based on a spend threshold) to be registered on Sedex or have in place their own Modern Slavery Statements and policies. We acknowledge that for some suppliers, particularly sole traders or small business, registration and maintaining registration with Sedex poses some challenges. In 2023 further work will be done to develop a targeted risk assessment process for these suppliers so we can target monitoring and compliance at areas where there is the highest risk.

Partner Growers

Our Ethical Sourcing program is now in its fourth year and we have continued to refine and develop our approach. We use Sedex as a management tool to help the company understand the level and scope of social sustainability practices within our partner grower base. Through the Sedex data platform, we can assess management practices employed by our partner growers and work together with them to identify opportunities for improvement, provide support to mitigate risks and to take action where necessary.

In 2022, 99% of Costa's Australian partner grower base were registered on Sedex and shared visibility of their site information with Costa during their supply season.

Throughout their supply period, 96% maintained membership. During the year we have used this information to risk assess employment management practices and identify the salient human rights issues in our produce supply chain.

Based on this assessment in 2022, we have undertaken a number of activities to support partner growers. We launched a documented ethical sourcing framework which defines our due diligence approach and is supported by supplementary guidance documents for partner growers on remediation, including a specific supplier guidance on remediation on identification of Modern Slavery.

As identified in the 2021 statement we have continued to focus on the use of third-party labour (labour hire) in our partner growers base. The focus correlates with our risk assessment, the SAQ answers and audit findings. In 2022 we provided our growers with guidance and tools to conduct their own due diligence in selecting and monitoring the labour hire contractors they use.

We have an additional due diligence framework around the use of third-party labour in our partner grower base. The Australian Labour Hire Module is an additional self-assessment questionnaire developed by Costa and is hosted in the Sedex platform.



In 2022, we have had an uplift in completion to 56% of partner growers. Assessment of SAQ answers identified compliance issues with three labour hire contractors. This was reported to the growers and remediation actions were implemented prior to commencement of supply.

We continue to increase the use of third-party verification within our partner grower base using SMETA. Where compliance issues have been identified, remediation activities have been implemented and verified

A total of 54 partner grower sites have been audited to SMETA, 34 of which were audited in 2022 (15%). Over 90% of audit issue findings are represented across the areas of:

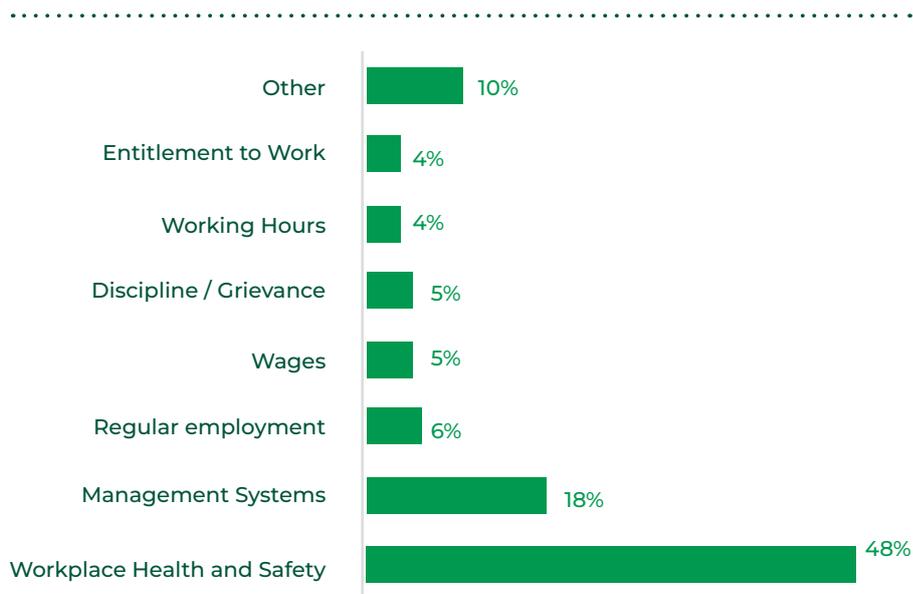
- Workplace, Health and Safety
- Management Systems
- Discipline and Grievance
- Working Hours
- Regular Employment
- Wages
- Entitlement to work

The Sedex risk assessment tool identified a number of possible and strong forced labour indicators. These were identified in the areas of management systems failures, working hours and wage management.

After investigation of these indicators, it was confirmed that there were no findings of forced labour, child labour or debt bondage, though there were policy and procedural gaps identified in these areas.

In all cases remediation activities were undertaken and have been verified as closed by an independent auditor, in some cases via worker interview and/or a re-audit on site.

In our African Blue operation, 83% of our third-party growers are registered on Sedex and have completed SAQs. All of these sites have also undertaken a SMETA conducted by an independent third-party auditor. We are continuing to look for ways to further engage and support partner growers with information and guidance on the use of labour hire.



Non-conformance category identified during SMETA



Labour Standards

Costa's Labour Standards policy developed in 2022 covers the engagement and oversight practices of all labour engaged by Costa, including people employed directly and through a labour hire provider (LHP).

These standards provide an equitable framework for the governance of engagement and oversight of labour, along with the commitment to oversight of regulation and licensing of labour hire providers and government approved labour programs.

The Standards cover topics including conflict of interest, code of conduct, workplace health and safety and human resources employment and recruitment processes.

For LHPs, the Standards outline the requirement for pre-qualification assessment and the requirement to provide to Costa a modern slavery action plan within six months of executing a contract with Costa.

People Assurance Manager

A new position of People Assurance Manager became effective from early 2022. This position was created at the end of 2021 in recognition of the need to develop systems to measure the effectiveness of our actions.

Key actions completed in 2022 included: the rollout of the Labour Hire Provider Audit Framework; 14 LHP desktop audits conducted; and 14 LHPs included in SMETA conducted on Costa sites.

Desktop audits are focused on ensuring the following:

- Recruitment processes are in place to ensure all prospective workers are lawfully eligible to work in Australia. (All information is retained for proof if investigated by the Fair Work Ombudsman and/or Border Force inspectors).
- Written and agreed employment offers are in place and are underpinned by the relevant industrial instrument (Award, Certified Agreement and National Employment Standards).
- Employees receive pay slips detailing hours of work, payment, accruals and superannuation etc. consistent with the requirements of the Fair Work Act 2009 (Commonwealth).

- Where piece work rates are used, the employer utilises and retains copies of the written piece work agreements reached with those employees who are paid a piece rate.
- Appropriate arrangements are in place where any accommodation is arranged and charged to workers by the contracted LHP.
- Compliance with the Costa Labour Standards.

Labour Hire Providers

Costa has 31 labour hire providers (LHP) registered, and in 2022 used the services of 27 providers in Australia.

All Australian LHPs working with Costa must be registered on Sedex, linked to Costa and comply with Costa's Supplier Code of Conduct. LHPs are also requested to undertake a SMETA and must be compliant with any relevant state government labour hire registration schemes.

It is a Costa requirement that all new LHPs complete a pre-qualification application form and provide all supporting documents for assessment before they are engaged. This pre-qualification includes questions relating to modern slavery awareness and risk, and training provided to employees. It also asks LHPs whether they screen suppliers on





risks of modern slavery or other forms of labour exploitation.

The Costa People Assurance team has successfully worked with each of the LHPs to continuously improve business practices, mitigate risk and to ensure compliance with Costa's Labour Standards, SMETA and legislative requirements. This has been achieved through activities such as desktop audits (detailed previously), SMETA and other additional assessments, checks and inspections.

The People Assurance team has had the opportunity to build on previous relationships that Costa has held with each LHP and has become a central point where mutual feedback can be given. Working directly with the LHPs has provided us with insight into how each of the providers is conducting their business, the size and scale of each business and their future business objectives.

As a result, a number of LHPs have actively improved administrative processes and hired additional support staff both in Australia and on the ground in overseas locations. We have seen great improvements in subsequent audits, across LHP business and administrative processes, as well as turnaround time when supplying information requested by Costa or an auditor during desktop and onsite SMETA.

A number of LHPs are implementing new systems including new payroll software to ensure ongoing compliance and to ensure they have systems that can be moulded to their business or external requirements into the future.

We are continuing to work with our LHPs to enhance our relationship, ensure compliance objectives are met and to ensure employees continue to be treated fairly and ethically.

Pacific Island workforce

The workforce sourced through the Australian Government's Pacific Australia Labour Mobility (PALM - incorporates the Seasonal Worker Program and the Pacific Labour Scheme) makes up a critical component of Costa's workforce, particularly through harvest seasons across the business. The availability and reliability of this workforce has led to an increased reliance on this cohort, a trend which is expected to continue.

To date, Costa has had a heavy reliance on LHPs to supply this workforce, which increases the risk of ethical sourcing and modern slavery breaches in our supply chain.

In 2022, Costa continued the implementation of Project Sunrise, a strategy supported by the Costa Board to transition to a centralised, direct employment labour model for the majority of the Pacific Island seasonal workforce.

This long-term strategy aims to reduce the risk of unethical sourcing and modern slavery issues and will help to ensure the implementation of consistent Costa Care, welfare and wellbeing standards across the workforce.

More than 1000 direct placements were made during the year, from four source countries – Fiji, Tonga, Samoa and Timor-Leste - and an additional five Costa sites were incorporated into the program.

CASE STUDY

Providing a welcoming and supportive environment for employees who are in Australia as part of the PALM scheme is a key priority for Costa. Throughout 2022, members of our Pacific Island seasonal worker direct hire crews were involved in a range of community activities, ranging from cultural performances to sporting competitions.

A Fijian cohort who were accommodated in Grafton while working at the Corindi Berry farm performed at the opening of the local Jacaranda Festival and donated time to the Grafton Happy Paws, a local pet shelter. Members also joined the Grafton Redmen Rugby Union team and competed in the NSW Rugby 7s Tournament.

During the reporting period, Costa's Citrus category engaged former New Zealand All Black rugby player Andrew Blowers to consult on cultural insights and

wellbeing for the Pacific Island nationals in our workforce. This work is continuing in 2023.

In Tasmania, a Samoan cohort performed at a New Year's festival in Devonport and joined local volleyball and rugby competitions.

In Emerald in Central Queensland, the Otufelenite Club played their first ever season in the Central Highlands (Queensland) Rugby Union competition and came away with the premiership trophy.

All of the players in Otufelenite work at Costa's Emerald 2.P.H. farms. The majority of players came from the main island of Tonga, Tongatapu, while the rest came from the 171 other islands that make up the Tongan archipelago. Over the past number of years, team numbers have declined in the Central Highlands competition, so adding another team to the competition was a win – win for the region.

A Samoan female crew who were working at the Tomato glasshouses in Guyra have also become closely embedded in the Armidale/Guyra community, performing at a combined churches event and the UNE Christmas festival, and joining volleyball competitions.

Employees who are part of the Pacific Australia Labour Mobility Program also played a key role in assisting the Renmark community in South Australia during the flood event in late 2022. With the River Murray rising and slowly making its way towards the town of Renmark, a crew of seasonal workers from the Costa citrus farm helped to install a 'DefenCell' wall to protect the Renmark riverfront.





Intermediaries

Costa's wholesale business (Costa Farms and Logistics) acquires some fresh produce through intermediaries such as brokers and marketing agents in circumstances where it does not have direct grower relationships. Due to the transient nature of this trading activity and the inability to require Sedex registration, compliance with Costa's Supplier Code of Conduct has been incorporated into our Terms of Trade.

Grievance mechanisms

We believe that if we have caused or contributed to an adverse impact to internationally recognised human rights in our own business or that of our supply chain, a fair and just remedy should be implemented.

This is based on the Access to Remedy Principles of the UN Guiding Principles on Business and Human Rights. A worker's rights should not be impacted for raising concern or being involved in an investigation.

Within our own business, Costa has grievance mechanisms in place to identify and escalate

issues relating to modern slavery.

Costa has appointed 12 category specific Whistleblower Officers across its businesses, including the Moroccan and Chinese operations. These staff are provided with training as to how to receive and handle reports made under the Whistleblower Policy and afford whistleblower's adequate protection and support.

A whistleblower hotline service independently operated by Deloitte Halo, is available for all workers on our farms (including labour hire workers) and other stakeholders. The reporting service allows whistleblowers to make disclosures via phone, email or through the website www.costawhistleblower.deloitte.com.au; the service is provided in English, French, Arabic and Mandarin.

In 2022, 12 contacts were made through the hotline. The majority were considered to be personal workplace grievances that were investigated by Costa's HR team, while the other matters triggered a confidential investigation with the outcome then being reported to the person who made the allegation (where contact was

possible). Information on any substantive allegations raised and any action taken were included in periodic reporting to Costa's Audit & Risk Committee (with the complainant's details remaining undisclosed).

Details of the whistleblower hotline are communicated via posters, email messaging, toolbox talks and sit prominently on the landing page of the Costa Intranet. Costa's Whistleblower Policy contains a clear reporting procedure to help direct and resolve grievances.

During 2022, Costa improved accessibility of its Whistleblower Hotline Website, by making some changes to the landing page in response to feedback on the original design.

Remediation

Remediation framework

Costa's expectation is that suppliers must provide an avenue for worker grievances to be heard, fairly investigated and where required appropriate remedial action taken. This is outlined in the Supplier Code of Conduct. Our suppliers are responsible for compliance with the Supplier Code of Conduct throughout their business and their supply chain.

In 2022, a new Costa Remediation Framework – Supply Chain was rolled out across the business to provide guidance to suppliers for remediation activity.

The document emphasises the responsibility of suppliers to have a timely, effective remedy, and mechanisms to prevent a reoccurrence, in the event of a non-compliance in respect to human rights.

The framework is based on the Access to Remedy Principles of the UN Guiding Principles on Business and Human Rights.

It includes guidance on responsibility, non-compliance, documentation and record keeping, ongoing support and monitoring.



TRAINING AND COMMUNICATION

Training and communication continue to play a key role in educating and building capacity within our workforce in understanding modern slavery.

In 2022, we continued to roll out advanced awareness training modules and general awareness training. These were delivered through a combination of online learning modules, face-to-face sessions, inductions and other communication tools.

Advanced Awareness training

A course titled Tackling Modern Slavery in Businesses – Australia was added to the Costa online learning management system in 2022. Made up of two modules, Stronger Together's Tackling Modern Slavery Australia and Costa's Response to Modern Slavery, the course is mandatory for people in 'key' roles which have significant labour management and/or supervisory responsibilities, along with all human resources and procurement roles.

This course explains what modern slavery is, and the industries it most commonly affects. It describes signs of potential labour exploitation and explains what employees should do if they believe someone may be being exploited.

The objective of the course is to ensure employees understand: what modern slavery is and how hidden labour exploitation can occur in businesses; how to spot the signs of hidden labour exploitation and how to respond; and know what they can do to help.

As outlined on page 13, 204 people were enrolled in this mandatory course during 2022. Of those enrolled, 95% completed or are in progress, with 5% not started.

Online learning management system

A suite of other relevant courses is included in the online learning management system including Discrimination and Equal Employment Opportunity and Risk Management. All salaried staff are required to complete five mandatory online courses: Global Bribery and Anticorruption, Discrimination and EEO, Information Disclosure for Corporate Whistleblowers, Diversity in the Workplace and Information Security Management.

New dedicated Modern Slavery intranet page

During 2022, we established a new dedicated Modern Slavery intranet page with links to it prominently featured on the Costa Intranet landing page. The site contains a range of information including training, definitions and explanations, working group members and links to relevant policies and documents.

Toolbox talks

Toolbox talks are used widely across the business in Australia and our international operations to provide specific information to targeted groups of employees. They are generally delivered on site by the group's supervisor or leader, and a record kept of who has participated in the Toolbox Talk. They are used regularly for providing health and safety information as well as key information relating to modern slavery and associated human rights topics.

The following Toolbox Talks are available to all sites to roll out to ensure our employees are aware of our policies and processes in relation to:

- Modern Slavery
- Forced Labour
- Bribery and Corruption
- Complaints and Grievances
- Whistleblower hotline
- Equal Opportunities, bullying and harassment

In person training for first line managers and labour supervisors

In 2022 we trialled a more detailed in-person training targeted specifically at first line managers and supervisors. The purpose of this training was to reach key individuals who may not have e-mail access, but who have been identified as an important stakeholder group in our mitigation measures.

The trial was conducted in Tasmania with farm managers and labour leaders from the Costa Berry category in attendance. The next step is to review this format to ensure it is scaleable across the Costa sites.

Whistleblower information

All Costa sites, including China and Morocco, were provided with a QR code and online link to confirm they have a copy of the Whistleblower poster displayed on site. This was to ensure anyone who works at Costa has access to the Whistleblower Hotline contact details.

A Whistleblower Toolbox talk is available to all sites to ensure everyone is aware of the Costa Whistleblower Policy and Procedure and know when to raise concerns of suspected or actual misconduct.

Additional communication tools

In addition to the communication outlined previously, Costa delivers a weekly news update to all Australian employees once a week. This includes information and links relating to Modern Slavery and the Whistleblower policy at selected points throughout the year.

ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

Costa continues to monitor the effectiveness of initiatives outlined in this statement and broader activities across the business which impact human rights, and to further develop a framework for the ongoing assessment of our performance.

Currently, we assess our effectiveness through the following mechanisms:

Governance

Modern Slavery Working Group

KPIs for the 2023 calendar year were developed by the Working Group and approved by Costa's Executive team. These KPIs will be tracked throughout the year and progress against these KPIs will be reported in next year's Modern Slavery Statement.

Policy reviews

Compliance with Costa's governance policies is monitored throughout the year. Any patterns of non-compliance, together with any changes in regulatory requirements or social expectations, is taken into account when the policies are periodically reviewed by the Board.

Board and Executive oversight

The Executive team receives periodic updates from the Modern Slavery Working Group. The Executive team and the Board's Audit & Risk Committee receive regular reports on matters including ethical sourcing, WHS and labour hire matters.

Risk Management

- Audit and Risk Committee
- Enterprise Risk Program
- Internal audits

Monitoring

- Supplier self-assessment questionnaire (SAQ)
- Supplier audits
- Site visits
- Accommodation audits
- Training participation
- Work entitlements

Grievance mechanisms

- Whistleblower hotline
- Complaints Procedure



CONSULTATION WITH SUBSIDIARY ENTITIES

Costa has developed a company wide approach to managing and mitigating the risks of modern slavery.

Our actions and this statement were developed in conjunction with the Modern Slavery Working Group with representatives from our Australian and international operations across the areas of Procurement, Human Resources, Legal, Ethical Sourcing and Operations.

Representatives across the company have met during the reporting period as part of the development of our activities and this statement and discussed the reporting requirements of the Modern Slavery Statement.

This statement has been reviewed by our Modern Slavery Working Group and has been approved by the Costa Board. Through our Ethical Sourcing Program, members of the Modern Slavery Working group worked closely with the different operational categories to help understand and ameliorate the specific labour risks that faced each category.

ADDITIONAL INFORMATION

Costa recognises that modern slavery in horticulture cannot be resolved in isolation. Collaboration and shared learning with like-minded businesses and organisations forms part of our approach.

Organisations which Costa has collaborated with include:

Stronger Together

Stronger Together, founded in 2013, is a non-for-profit business-led, multi stakeholder collaborative initiative whose vision is a world where all workers are recruited responsibly and have decent work free from exploitation.

Australian Fresh Produce Alliance

Costa is a founding member of the Australian Fresh Produce Alliance, which continues to advocate for enhanced workforce policies including visa arrangements and incentives.

AFPA has also sought funding for a dedicated horticultural taskforce within the Fair Work Ombudsman for educating, investigating, and undertaking compliance and enforcement activities in the sector ahead of the changes to piece rate provisions. AFPA supports the implementation of national labour hire licensing.

Berries Australia

Costa is a member of Berries Australia which has also consistently supported the implementation of a national labour hire licensing scheme.

Fair Work Ombudsman's Horticulture Reference Group

Costa is a member of this Reference Group, which includes representatives of horticulture industry associations, unions, retailers and employers.

CASE STUDY

African Blue participated in a Gender-sensitive Auditing Pilot Project, led by Partner Africa, a registered NGO which aims to improve the working conditions and livelihoods of vulnerable workers and producers in Africa. Partners in the project were British grocery retailer Tesco and Co-op, the UK's largest consumer cooperative.

Through this project the SMETA methodology was adapted to effectively identify and address gender issues in global supply chains. The paper delivered by the project delves into pressing issues around how current social auditing methodologies can be adapted to better recognise and tackle the unique challenges faced by women in global supply chains.

The paper also offers valuable insights into, and practical recommendations for, Sedex, suppliers, buyers, auditors, and auditing bodies, to empower the most vulnerable people engaged in African supply chains.

LOOKING AHEAD

We remain committed to a process of continuous improvement in response to modern slavery risks, across our Australian and international operations.

Throughout 2022 we have focused on improving awareness and understanding and recognise that as a business with a large number of seasonal employees, this will remain an ongoing key area of activity.

We have also continued to develop our processes and platforms, and through our new People Assurance Team have laid a framework for ongoing monitoring of compliance.

Our targets for 2023, which build on our 2022 Action Plan, are outlined below. This will enable us to continue to track and assess the effectiveness of our actions against modern slavery, and maintain momentum in our efforts to ensure the rights of all our workers, and those within our supply chain, are protected.



Action plan for 2023

Activity	Target
External review of our Modern Slavery progress.	Completion by end 2023.
Review and refine processes for assessment of high-risk suppliers.	Completion by end 2023.
% Australian Growers/ Suppliers on Sedex – or equivalent	100% direct growers/labour hire providers 100% of all other suppliers identified by Costa as High Risk. <i>(Note: Due to change in suppliers and business acquisitions there may be periods this does not hit 100%)</i>
Advanced Awareness Raising training for people in key roles	100% of people currently in key roles* have participated in Advanced Awareness Raising training during 2023/2024. Train people newly entering key roles within six months of their commencement in that role.
General awareness training and communication	General Awareness Training Modules included in Costa Online Learning Management System. Use additional tools for communication as required, including Toolbox Talks. General awareness communication to be provided to 100% of partner growers. Whistleblower hotline information available in local languages across 100% of sites.
Audits	10% of grower sites audited within the 2023 reporting period.
All suppliers to the Australian business to be provided the Supplier Code of Conduct**	100%

* roles having significant labour management and/or supervisory responsibilities, along with all human resources and procurement roles.
** this excludes the one time and irregular suppliers that are paid for by corporate credit cards that are not registered as suppliers in SAP.

STATEMENT APPROVAL

This Statement was approved by the Costa Board on March 21, 2023.



Neil Chatfield

Chairman, Independent Non-Executive Director



Harry Debney

Interim CEO and Director





APPENDIX A

List of Subsidiaries of Costa Group Holdings Ltd

Australian subsidiaries:

ACN 151 702 251 Pty Ltd

Agri Exchange Pty Ltd

AgriExchange Farm Management Pty Ltd

AgriExchange Murtho Pty Ltd

Banana Exchange Pty Ltd

Blueberry Investments Africa Pty Ltd (formerly ACN 057 689 246 Pty Ltd)

Blueberry Investments Morocco Pty Ltd CBSP Pty Ltd

Costa Group Finance Pty Ltd

Costa Group Holdings (Finance) Pty Ltd

Costa's Pty Ltd

Costa Asia Pty Ltd

Costa Berry Pty Ltd

Costa Berry Holdings Pty Ltd

Costa Berry International Pty Ltd

CostaExchange Pty Ltd

Costa Exchange Holdings Pty Ltd

Costa Farms Pty Ltd

Costa Fresh Logistics Pty Ltd

Costa Logistics Pty Ltd

CBSP Pty Ltd

East Africa Coffee Plantations Pty Ltd

Exchange Brisbane Pty Ltd

Exchange Innisfail Pty Ltd

Fresh Exchange Pty Ltd

FruitExpress Pty Ltd

Grape Exchange Pty Ltd

Grape Exchange Farming Pty Ltd

Grape Exchange Farming Mundubbera Pty Ltd

Grape Exchange Management Euston Pty Ltd

Hillston Investments Pty Ltd

Innisfail Holdings Pty Ltd

Mushroom Holdings Exchange Pty Ltd

MushroomExchange Pty Ltd

North Fresh Pty Ltd

Raspberry Fresh Pty Ltd

Tomato Exchange Pty Ltd

Vine Fresh Pty Ltd

Vitor Marketing Pty Ltd

Yandilla Park Pty Ltd

International subsidiaries:

Costa Asia Ltd

Costa China (Hong Kong) Ltd

Costa (Honghe) Fruit Planting Co. Ltd

Costa (Yunnan) Agricultural Development Co. Ltd

Costa (Baoshan) Agricultural Development Co Ltd

African Blue S.A.

Sweet Berry S.A

Blue Flavor

African Blue (UK) PLC

APPENDIX B

Mandatory Criteria	Page number
Identify the Reporting Entity	4
Describe the reporting entity's structure, operations and supply chains	5
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	10
Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	12
Describe how the reporting entity assesses the effectiveness of these actions.	25
Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).	26
Any other information that the reporting entity, or the entity giving the statement, considers relevant.	26



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