



Costa Group Holdings Limited

MODERN SLAVERY STATEMENT 2021



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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 Robyns 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 March 24, 2022.

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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.

MESSAGE FROM THE CEO



This is Costa's second Modern Slavery Statement, covering the financial year ending on 26 December 2021. The Statement outlines both the activity and progress we have made to mitigate, address and where possible improve our approach to human rights and modern slavery risks within our operation and across our supply chain.

As Australia's leading producer of fresh fruit and vegetables and with international operations in China and Morocco, ensuring human rights are not only protected but also taking action to prevent modern slavery is fundamental to our business.

People are at the heart of the Costa business. Our core values of Passion, Determination, Accountability, Sincerity and Respect guide our approach to human rights both within our business and within our supply chain.

In 2021, we launched Costa Care, a culture initiative which aligns with our values and focuses on our passion for our outstanding people, our safe and nutritious food production and thriving partnerships with our local communities and environments.

The enthusiasm for this program speaks volumes about the large number of our people who share a common passion to continuously build on and improve our culture, both in the way we interact with each other and how we go about growing and supplying the healthy and nutritious food we produce.

While the global pandemic continued to disrupt and present new challenges in 2021, we remained committed to developing and enhancing the processes, policies, and actions we have in place to protect human rights. In our Australian partner grower base, for example, 98%

were registered on Sedex in 2021 during their supply season.

Our key actions this year have included increased emphasis on identification of high-risk suppliers and remediation where issues arise, both within our own operations and in our supply chain.

We are focused on developing systems to measure our effectiveness and have dedicated new resources, such as a Group People Assurance Manager, to assist in this process.

We have also put in place a multi-disciplinary working group to oversee our Modern Slavery response, which has made steady progress in education and training across the business.

As we continue our journey, we must ensure our approach takes into account the different cultural and operational challenges that come with operating a business across multiple countries, and we will continue to work on implementing frameworks to support and enhance our actions across all our operations.

We recognise that much remains to be done and we look forward to building on the actions outlined in this statement.

All the best

Sean Hallahan
Managing Director and 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.

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.

In July 2021, Costa purchased the business and assets of 2PH Farms Pty Ltd and its related entities (2PH), a Central Queensland based citrus grower, KW Orchards in Sunraysia, Victoria, and the Select Fresh Group (SFG), a leading Western Australian based wholesale distribution business specialising in the supply of fresh produce to food service and independent supermarkets.

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 reports 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 7,000+ planted hectares of farmland, 42.5 hectares of glasshouse and nursery 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 the end of December 2021, in Morocco the African Blue business has 345 planted hectares and in China, the joint venture includes 296 planted hectares.

COSTA SUPPORTS THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS.

Our Sustainable Commercial Farming Pillars – Environment, Economic and People, which underpin our business operations, are reflective of and support these goals.

In relation to Modern Slavery, our operations support Goal 8 – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.

8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

8 DECENT WORK AND ECONOMIC GROWTH



Where we operate



China



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

Morocco



Larache & Kenitra Provinces
 (North Region)
 Massa (Agadir Region)

● VICTORIA

Business Support Centre, Ravenhall
 Citrus Farm, Colignan
 Citrus Farm, Nangiloc
 Compost Facility, Nagambie
 Distribution Centre, Derrimut
 Melbourne Wholesale Market
 Mushroom Farm, Mernda
 Mushroom Farm, Yarrambat

● SOUTH AUSTRALIA

Adelaide Wholesale Market, Pooraka
 Amaroo Citrus Farm, Murtho
 Kangara Citrus Farm and Packhouse,
 Murtho
 Pike Creek Citrus Farm, Lyrup
 Solora Citrus Farm, Loxton
 Yandilla Citrus Farm and Packhouse,
 Renmark
 Mushroom Farm, Monarto

● NEW SOUTH WALES

Avocado Farm, Comboyne
 Avocado Farm, Fishermans Reach
 Berry Farm, Corindi
 Berry Farm, Rosewood
 Berry Farm, Tumbarumba
 Citrus Farm, Trentham Cliffs
 Distribution Centre, Eastern Creek
 Table Grape Distribution Centre,
 Euston
 Tomato Glasshouses, Guyra

● QUEENSLAND

Avocado Farm, Atherton
 Avocado Farm, Walkamin
 Banana Farm, Tully
 Banana Farm, Walkamin
 Berry Farm, Atherton
 Berry Farm, Tolga
 Berry Farm, Walkamin
 Brisbane Wholesale Market, Rocklea
 Citrus Farm, Emerald
 Citrus Farm, Dimbulah
 Table Grape Farm, Mundubbera

● TASMANIA

Berry Farm, Dunorlan
 Berry Farm, East Devonport
 Berry Farm, Lebrina
 Berry Farm, Nine Mile
 Berry Farm, Wesley Vale
 Berry Distribution Centre and
 Packhouse, East Devonport
 Devonport Distribution Centre, Quoiba

● WESTERN AUSTRALIA

Berry Farm, Gingin
 Berry Farm, Neergabby
 Compost Facility, Mandurah
 Distribution Centre, Jandakot
 Mushroom Farm, Casuarina
 Perth Wholesale Market, Canning Vale

Costa business model

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 Driscoll's, Vitor, Perino, Lovacado, African Blue and Blush.



Costa operates across three segments:

Produce

Operates principally in five vertically integrated core categories; berries, mushrooms, citrus, glasshouse-grown tomatoes, and avocados. Growing locations are situated across multiple Australian states.

International

Comprises berry farming in Morocco (product exported to Europe, UK and Asia) and China (product sold in China). Also licensing of our proprietary blueberry varieties across several regions, including the Americas and Africa.

Farms and Logistics

Incorporates interrelated logistics, wholesale and marketing operations.

EMPLOYEES

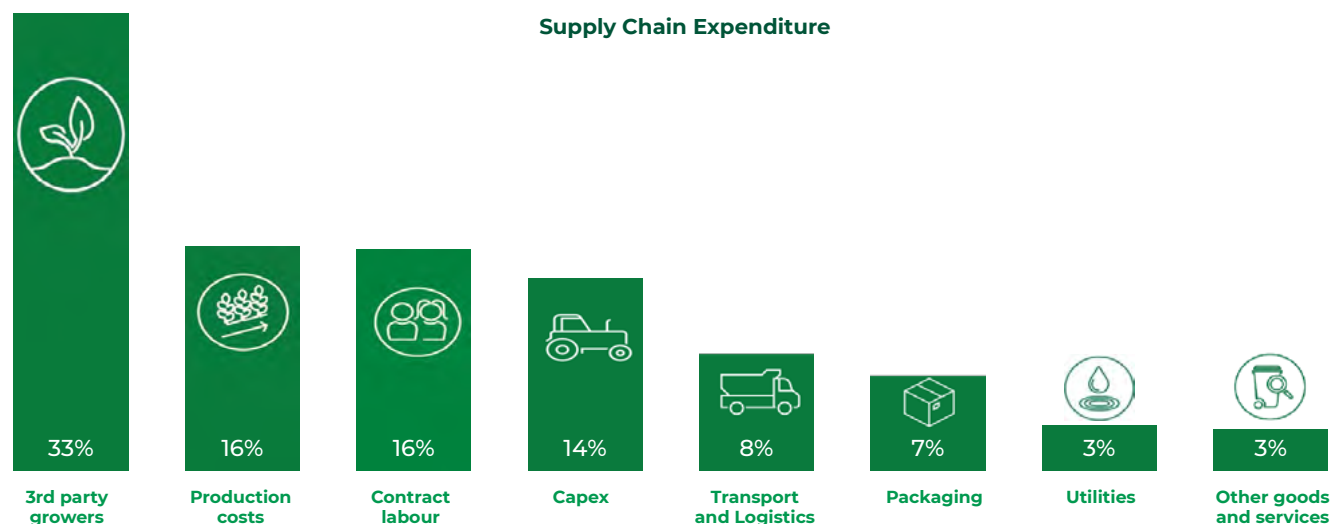
The seasonal nature of the Costa business necessitates that our direct and indirect employee numbers will vary during the course of the year. In 2021 our workforce comprised 8,747 full time equivalent workers. This number includes our Morocco and China employees. This includes people sourced through labour hire providers.

Approximately 87% of Costa's direct hire operational staff in Australia are covered by enterprise (certified) agreements.

This figure excludes monthly paid, salaried employees. Our employees include people from at least 84 different nationalities.



Supply Chain Expenditure



Graph shows percentage of spend by category of purchase. Notes: 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. 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.

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.

In total, in our Australian operations, Costa worked with approximately 2,900 suppliers. In China, Costa worked with a total of 283 direct suppliers.

In our African Blue operations in Morocco, Costa worked with 56 direct suppliers.

Produce

Produce sold by Costa in Australia is sourced from 285 partner growers¹. Costa also imports fruit from five suppliers based in the USA and Mexico.

In Morocco, African Blue sells berries grown by African Blue, its subsidiaries, and licensed growers of Costa blueberry varieties in Africa. There are a total of eight third-party growers – seven in the north (where the farm's packhouse and main operations are located) and one in Agadir. African Blue also has three third-party growers in South Africa and eight in Zimbabwe. The China Joint Venture does not use third-party growers.

¹ 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.

Product	Number of Partner Growers
Avocado	69
Tomato	9
Grape	94
Citrus	39
Banana	15
Other (various fruit and vegetable products supplied into wholesale)	59
TOTAL	285

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 suppliers supplying Costa. (Tier One refers to direct suppliers to Costa)

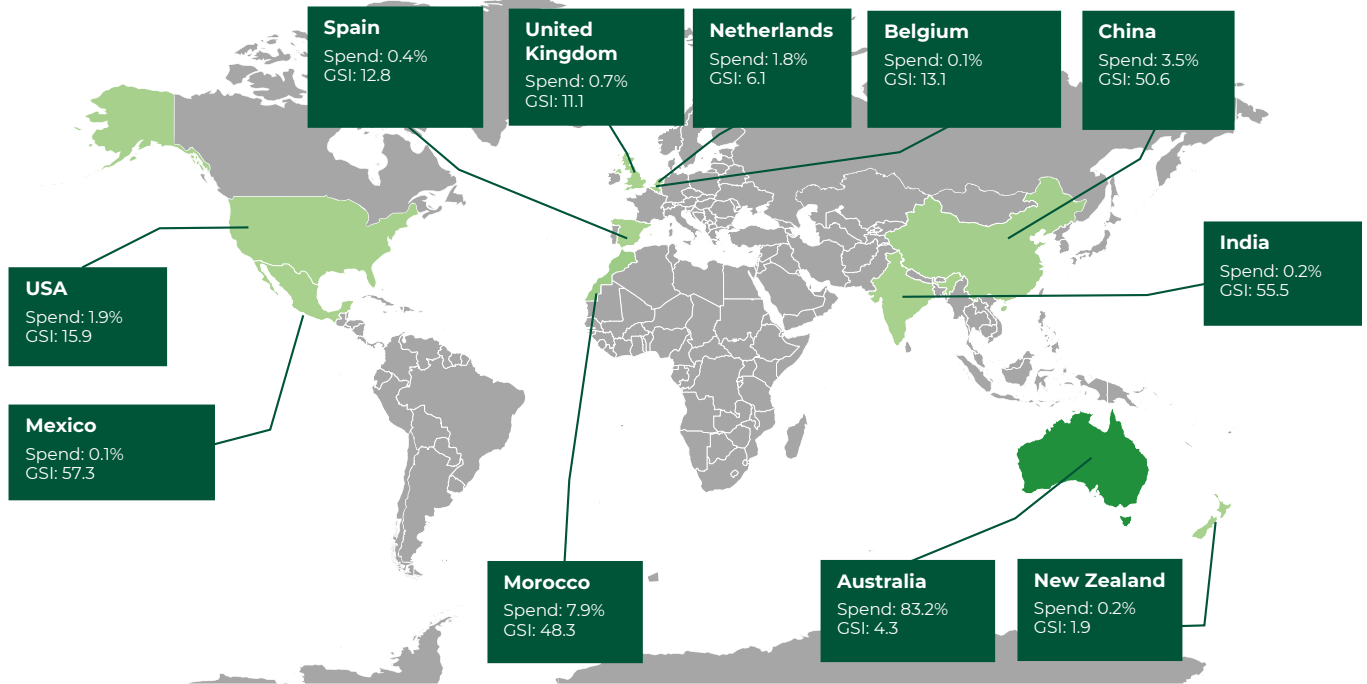
Labour hire and other services

In 2021, Costa utilised the services of approximately 30 labour hire providers to meet the labour force requirements for harvest in its Australian operations.

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

All labour is sourced directly for our farms in China.

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.



Map represents tier one supplier spend by country. This includes suppliers for Australian and international operations. Top 11 countries are displayed. 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.

Goods

Suppliers provide a range of goods not for resale. The largest categories are for raw materials, packaging, freight and various consumables. For our Australian 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 African Blue joint venture also has a range of global suppliers, with key inputs including plants, plastic, pots and general agricultural products. In the China Joint Venture, the largest categories of goods supplied include plastics, nets, pots and other agricultural inputs such as fertiliser and irrigation supplies.

CASE STUDY

Verification of labour standards and supporting growers on a continuous improvement path

At the end of 2021, 20% of our Australian partner grower base had undertaken independent third-party social audits, including 9% conducted in 2021. The audits conducted were to the Sedex Members Ethical Trade Audit (SMETA) standard and were conducted by independent third-party auditors who are accredited to APSCA (Association of Professional Social Compliance Auditors).

SMETA is focused on labour and work health and safety (WHS), the duration of the audit is a minimum of one day and is determined by the number of people on site and worker interviews are a key part of these audits. The outcome of the audits is the implementation of remediation for any issues identified and activities for continuous improvement (see page 16).

As these audits are still relatively new to our partner grower base, Costa has developed a range of guidance tools for partner growers which cover what the audit entails, how to prepare and the expected remediation when issues are identified.

Checklists have also been developed which include activities to undertake such as forced labour awareness training, labour hire assessments and verification of right to work documentation, wage and hour reviews for all workers, including labour hire.

We understand that audits are only one method of assessing and improving working conditions on farms, but they are a starting point to assess the management systems in place for workers in our supply chain and to verify the working conditions on sites.

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.

Costa has conducted a risk assessment across its own operations and the supply chain to identify risks of modern slavery. This risk assessment informs our modern slavery actions.

The Global Slavery Index 2018 identifies 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) as a risk in Australian industries including agriculture, construction, domestic work, meat processing, cleaning, hospitality, and food services².

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 (eg. 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 (PALM).

Costa's workforce includes people from at least 84 different nationalities, many with English as



a second language, which is also an indicator of possible risk.

OUR OPERATIONS

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 above, as we have in place a number of controls with the aim to mitigate these risks (see section on Due Diligence page 14).

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. This includes a centralised payroll system which monitors work hours and deductions for Australian employees.

In Morocco all employees are covered by employment contracts,

either as Costa employees or through a labour hire provider. In China, all employees are engaged directly by Costa under either a labour contract (permanent workers) or a service agreement (seasonal workers). Both types of agreement incorporate terms and conditions of employment, and both forms of agreement have been approved by the Labour Bureau (the government department responsible for the oversight of China's labour laws and policies).

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 considered to have higher modern slavery risks³.

² Global Slavery Index 2018 (<https://www.globalslaveryindex.org/2018/findings/country-studies/australia/>)

³ 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). Based on Sedex Country Comparisons for forced and child labour 2022

SUPPLY CHAIN

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 SMETA standard. We will continue to raise awareness 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 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) 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 developed and is following a three-year Action Plan 2020-2022, which details Costa's continuous improvement approach to modern slavery, including measurable outcomes and deadlines.

During 2021, Costa implemented the following key actions to mitigate human rights and modern slavery risks in Costa's operations and across our supply chain (detailed in the summary in the table below and in the following sections relating to due diligence and remediation). These actions are part of our ongoing commitment and will be built on as Costa progresses its modern slavery remediation journey.

Developing systems to measure effectiveness of our actions	<ul style="list-style-type: none"> • Supplier risk rating system developed • People Assurance Manager position created • Reporting forced labour indicators and risk assessment to Costa Executive • Reporting Ethical Sourcing into Audit and Risk Committee • Costa Accommodation and Services Policy deployed in 2021 with an auditing function by the People Assurance team 	
Formalising a stakeholder working group	<ul style="list-style-type: none"> • Modern Slavery Working Group established with representatives from across the business 	
Expanding modern slavery training	<ul style="list-style-type: none"> • New Stronger Together training modules added to Costa Learning Management System • Phase one training module rolled out to key staff 	
Working with partners and identifying opportunities for sector collaboration	<ul style="list-style-type: none"> • Reviewing Stronger Together⁴ Australia materials and collaboration with Stronger Together for their Australian launch 	
Further establishing remediation activities in the supply chain	<ul style="list-style-type: none"> • Labour standards policy developed • Remediation Framework developed for adoption in 2022 	

Table 4: Key actions for 2021

WORKING GROUP

The Costa Modern Slavery Working Group was established in 2021 to enable 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.

Following consultation across the business the Working Group developed modern slavery targets for 2022 which were approved by the Costa Executive Team.

⁴ Stronger Together is multi-stakeholder, business-led initiative which aims to reduce modern slavery (<https://www.stronger2gether.org/about-us/>).

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. Updated in 2021, the Human Rights policy further aligns our approach to the UN Guiding Principles on Business and Human Rights Framework.
	The updated Costa Group Human Rights Policy was approved by the Costa Board on August 25, 2021.
Whistleblower Policy	Provides a mechanism to encourage 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.
	In 2021, locations of whistleblower posters were reviewed to ensure they were prominently displayed and accessible.
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.

During the reporting period, policies relevant to Modern Slavery were translated and rolled out in China and a similar process was commenced in Morocco.



Steps included in the complaints procedure

OVERCOMING LANGUAGE BARRIERS

Costa's mushroom category, which operates sites in Victoria, South Australia and Western Australia, has a diverse workforce, made up of more than 20 nationalities and for a large proportion of staff English is a second language.

In 2021, English classes commenced at the Casuarina (WA) mushroom farm, with a total of 15 employees participating in the introductory course. The classes were run each week on site, over a 20-week period. Employees from the harvesting, prepack and warehouse departments completed the course, enabling them to improve both their spoken and written English and giving them the confidence to put it into practice whilst on site.

At the Mernda site, where the majority of employees have English as a second language, a suite of policies including the Whistleblower and Complaints and Grievances policies, were translated into the six key languages. These were then incorporated into Toolbox Talks, together with questionnaires. This has helped to ensure that key information is both available and understood across the workforce.



DUE DILIGENCE

Ethical Sourcing Program

Costa's expectation is that all workers employed within the farming and packing operations in our own business and within 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 labour 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 completed self-assessment questionnaires in Sedex and our rolling program of Sedex Members Ethical Trade Audits (SMETA) has commenced at 26 of these sites. The sites selected for audits were a cross section of all Costa categories and site functions including farms, packhouses 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 in harvest season, however due to COVID-19 travel restrictions a number of SMETA were postponed and have been rescheduled to their 2022 seasonal window. An example of an issue identified during these audits was at one of our sites. During worker interviews of labour hire contractor employees, the auditor identified excessive waiting times between finishing work for Costa and being collected by the labour hire contractors' arranged transport.

Working with the labour hire contractor, immediate steps were put in place to remove the gap between finishing work and transport to accommodation. These steps were verified through worker interviews by a follow up visit to the site by the independent third party auditor. This finding resulted in a group wide approach across our business to ensure this was not occurring on other Costa sites.

In our African Blue operation in Morocco, all seven Costa owned sites have completed self-assessment questionnaires and have undertaken independent SMETA. In 2021, our operations in China were not registered on Sedex, however the intention is to have Costa China registered on Sedex in 2022.

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.

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 suppliers and employees. Costa seeks to engage in business with other likeminded persons and entities that share the same principles and values.

Costa requires 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

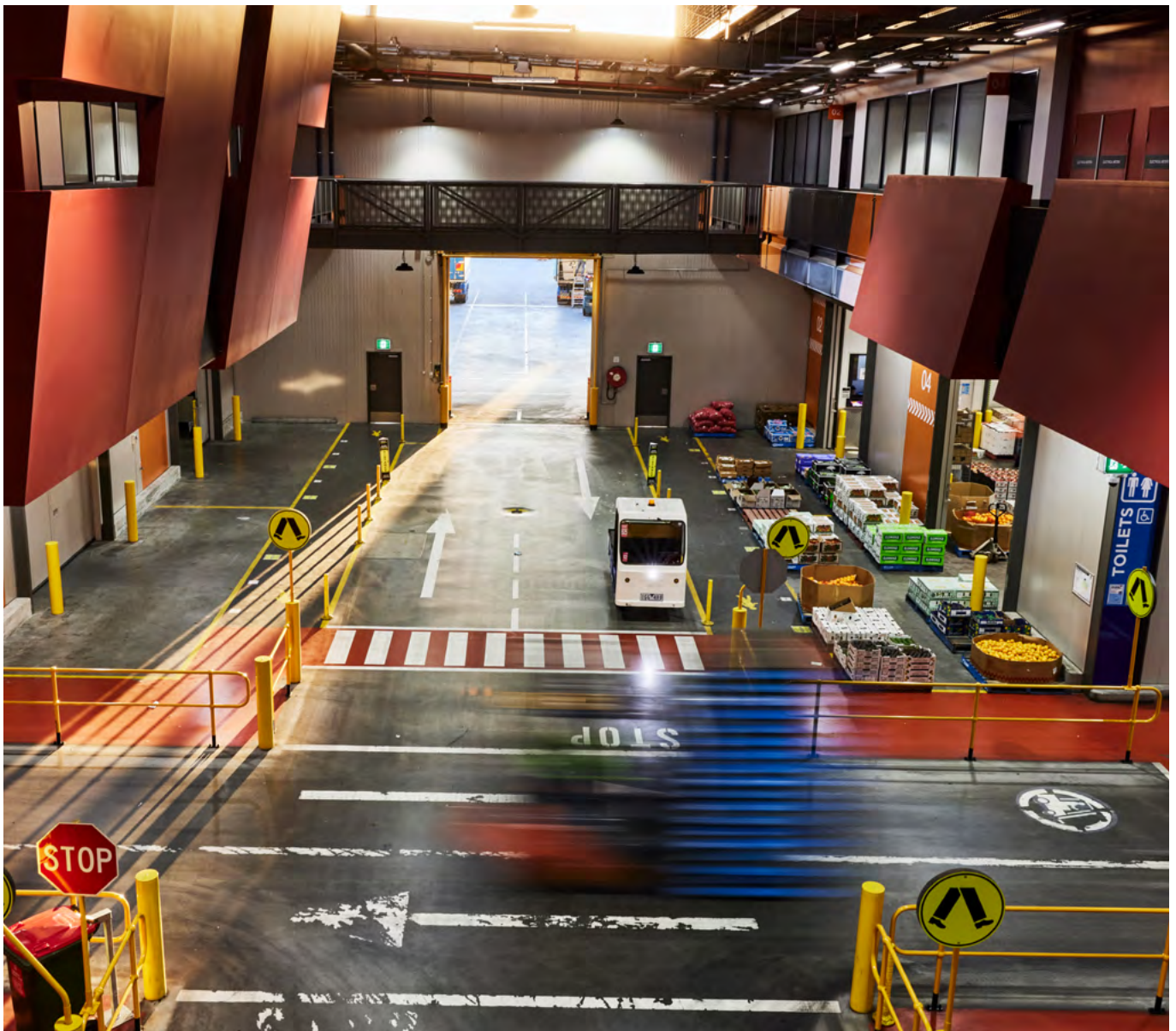
laws, standards and principles is a material consideration for us in assessing every aspect of our supplier relationships.

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.

The Costa procurement team provides advice and assistance to our operations in China and Morocco in relation to the procurement process and various supplier and general insurance reviews. In 2022, the processes within the international operations will be aligned further with Group processes and procedures.

Work was also conducted during the reporting period to establish a supplier risk rating system which includes assessing risk on geographic location, industry and type of goods acquired. This system will be used in the 2022 reporting year to focus efforts on supplier audit and remediation, to better target the available resources to providers that have an inherently higher risk.



Partner Growers

The Ethical Sourcing Program, launched in 2019, includes the use of 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 2021, 98% of Costa's Australian partner grower base were registered on Sedex and shared visibility of their site information with Costa during their supply season. 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.

Five of the eight third-party growers for our African Blue operation are registered on Sedex, with the registration for the remaining three in progress. Of the 11 third-party growers in South Africa and Zimbabwe, six are registered on Sedex and registration is in progress for four.

We have also increased the use of third-party verification within our partner grower base using the Sedex Members Ethical Trade Audits (SMETA). Where compliance issues have been identified, remediation activities have been implemented and verified (see chart below).

In 2021, we purchased new businesses some of which had pre-existing partner grower supply chains which had no previous commercial relations with Costa or our Ethical Sourcing requirements. In the first season of supply, we have tailored our approach to inform these new growers of our expectations. Preseason briefings outlined our Ethical Sourcing expectations including the communication of the Supplier Code of Conduct, which included a commitment to safe working conditions, fair wages/compensation and ensuring that migrant workers are treated ethically and that identification documents are not retained by suppliers.

Sedex Members Ethical Trade Audits findings partner grower base

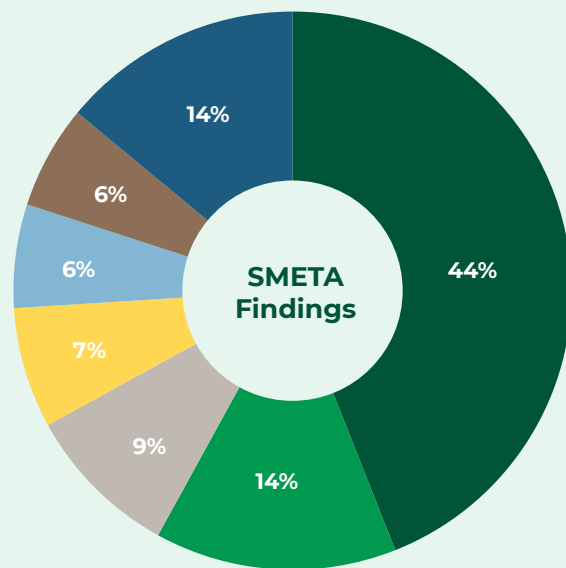
Over 85% of audit issue findings are represented across the areas of:

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

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 a re-audit on site.



In the first season of supply 50% of new citrus partner growers were registered on Sedex and shared visibility of their site information with Costa. We continue to work with the grower base to attain visibility of all sites prior to the commencement of the 2022 season.

Use of third-party labour in our partner grower base was identified as a potential risk of forced labour in our supply chain. To put a due diligence framework around this risk, the Australian Labour Hire Module was developed. The module was launched in 2021 for partner growers to complete on a voluntary basis. This additional self-assessment questionnaire hosted in the Sedex platform, was developed by Costa to further identify the presence of labour hire use and the controls that are in place. Approximately 50% of our partner growers completed the module in 2021 and key findings are as follows.

Of the respondents:

- At least 70% use labour hire contractors to provide seasonal labour
 - 15% of these use more than one labour hire contractor
 - 77 different labour hire contractors were identified as supplying labour into Costa's partner grower base
- 90% of respondents know the labour supply chain and how their labour hire contractors recruit their workers.

Further actions

On reviewing the findings from the questionnaire Costa will look for ways to further engage and support partner growers with information and guidance on the use of labour hire. Where issues are identified, remediation activities will be required.

Labour Hire Providers

In 2021, Costa engaged the services of approximately 30 labour hire providers (LHP) across its Australian operations.

As detailed previously, it is a requirement for all Australian LHPs working with Costa to be registered on Sedex, linked to Costa and comply with Costa's Supplier Code of Conduct. LHPs are also requested to undertake a SMETA, however COVID-19 restrictions led to a number of these audits being postponed. All LHPs engaged by Costa must also be compliant with any relevant state government labour hire registration schemes.

A pre-qualification assessment is also undertaken on all new LHPs.

In addition to SMETA, desktop audits are undertaken by Costa to review information supplied by LHPs including but not limited to payroll data, piece-work agreements and right to work.

In our African Blue operations, two labour hire providers are used and are included in our SMETA. They are also assessed within our Global Gap Risk Assessment on Social Practices (GRASP) certification.

No labour hire providers are used in the China Joint Venture.

AFRICAN BLUE

African Blue has volunteered in conjunction with UK retailers to take part in a gender based SMETA pilot project, which is being undertaken by Co-op and Partner Africa.

Partner Africa's purpose is to improve the working conditions and livelihoods of workers and producers in African supply chains. Headquartered in Nairobi with regional offices in the UK, Ireland, South Africa and Egypt - Partner Africa is a leading NGO working across 50 countries in Africa.

The pilot will seek to determine if standard auditing methodologies can be updated to collect better data on key gender indicators.



We will actively manage the engagement and oversight of all labour to safeguard employment and the wellbeing of everyone employed to perform tasks on any Costa site.

Labour Standards

In 2021, extensive consultation across the business resulted in the development of a new Costa Labour Standards policy. The Standards set out Costa's commitment to ensuring the health and wellbeing of its workers, whether sourced directly by Costa or through a LHP.

The Standards provide an equitable framework for the governance of engagement and oversight of labour, along with oversight of regulation and licensing of labour hire providers and government approved labour programs.

In particular, the Standards outline the requirement that prior to engagement, LHPs will undertake a pre-qualification assessment and provide details of that risk assessment to Costa. The LHP should also have, and provide to Costa, a modern slavery action plan within six months of executing a contract with Costa. This plan will include details of any required mitigating steps to be initiated.

The Standards cover general conduct, organisational integrity, workplace health and safety, human resources and employment processes of the Pacific Australia Labour Mobility scheme.



Costa business units outside Australia will prepare local standards and guidelines that cascade from this policy so as to align with the policy principles, while complying with the relevant laws, regulations and appropriate practices of that jurisdiction.

People Assurance Manager

In recognition of the need to develop systems to measure the effectiveness of our actions, a new position of People Assurance Manager was created, and recruitment was undertaken in the latter part of 2021 with the role starting in early 2022.

The People Assurance Manager will be responsible for working across businesses and geographies to develop a governance framework that underpins Costa's labour standards, collaborates with site teams on ethical sourcing audits, and creates and oversees the maintenance of the suite of HR

policies and standards. The role is based in Australia but also provides support to our overseas businesses in China and Morocco.

Pacific Island workforce

The workforce sourced through the Australian Government's Pacific Australia Labour Mobility scheme (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 reliability of this workforce has led to an increased reliance on this cohort, which is a trend that is expected to continue given the significant challenges with sourcing labour due to COVID-19 and international border closures.

As previously noted, forced labour of temporary work visa holders, in particular individuals on working holiday visas, Seasonal



GRIEVANCE MECHANISMS

Costa has grievance mechanisms in place to identify and escalate issues relating to modern slavery.

Costa has appointed 13 category specific Whistleblower Officers across its businesses, including our operations in Morocco and China. 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 2021, six reports were made through the hotline. Two were substantiated and subsequently resolved. Four were unable to be fully substantiated, despite this any issues identified by these unsubstantiated reports were remediated/resolved where applicable.

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.

Work program visas, international student visas and skilled temporary 457 visas, is identified as a risk in Australian industries including agriculture and a range of other sectors⁵.

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.

To reduce this risk, in 2021 the Costa Board supported a new strategy to transition to a centralised, direct employment labour model for the majority of the Pacific Island harvest workforce.

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

The first steps in this process were the approval by Department of Education Skills and Employment for AgriExchange Pty Ltd⁶ to supply labour sourced through the Seasonal Worker Program to other Costa entities and Department of Foreign Affairs and Trade approval for AgriExchange to operate as an Approved Employer in the Pacific Labour Scheme.

Intermediaries

Costa's wholesale business (Costa Farms) acquires some fresh produce through intermediaries such as brokers and marketing agents in circumstances where it does not have direct grower relationships. Although the transient nature of this trading activity means that we often cannot require Sedex registration, our terms of trade require these intermediaries to comply with Costa's Supplier Code of Conduct.

⁵ <https://www.globallslaveryindex.org/2018/findings/country-studies/australia/>

⁶ AgriExchange Pty Ltd is a wholly owned Costa subsidiary that operates Costa's citrus farms in the Riverland and Sunraysia regions. It has been an Approved Employer in the Seasonal Worker Program since 2012.

REMIEDIATION

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 to the Supplier Code of Conduct throughout their business and their supply chain.

In 2021, a new remediation framework was developed to provide guidance for remediation activity. This will be rolled out across the business in 2022.

Training and Communication

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

Face-to-face training was disrupted again in 2021 due to the ongoing pandemic and associated lockdowns and restrictions, however a variety of tools were used to disseminate information.

1. The Stronger Together e-learning module and Costa's Response to Modern Slavery were added to the Costa online learning management system. Phase one of the training roll out occurred in 2021, targeting Costa's Board members and Executive, HR and key people leaders within the business. Phase two will commence in 2022, with the training being mandatory for all roles having significant labour management and/or supervisory responsibilities, along with all human resources or procurement roles. The 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. Outcomes of the course are to:



2. 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 being Global Bribery and Anti-Corruption, Discrimination and EEO, Information Disclosure for Corporate Whistleblowers, Diversity in the Workplace, and Information Security Management. As previously noted, 'key staff' also complete the mandatory Stronger Together e-learning module and Costa's Response to Modern Slavery course.
3. The Ethical Sourcing Bulletin provides key information to partner growers and service providers, and is distributed as required. Topics in 2021 included labour hire compliance, Costa's expectations for labour standards and auditing requirements.
4. Forced labour awareness "toolbox talks" were presented at selected sites throughout 2021.
5. In-house training on Ethical Sourcing. This system also enables us to proactively contact labour hire providers to ensure visa renewals are submitted on time. During the pilot, it proved beneficial in identifying issues and ensuring timely action to ensure compliance.
6. Under the new Costa Labour Standards policy, developed in 2021, all LHP personnel with accountability for labour supervision/management, labour sourcing, payroll, labour related audits or the procurement of labour hire providers, are required to complete appropriate biennial training on human rights and the prevention of modern slavery. Compliance with this requirement will be monitored from 2022.
7. Toolbox talks, Costa weekly email update, Costa intranet and on-site posters are used to provide information on modern slavery issues and grievance mechanisms.

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

Towards the end of the reporting period, KPIs for the 2022 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



HR ASSIST

In 2021 Costa commenced a trial of a new custom designed software program to record and monitor the work rights of direct and indirect workers.

HR Assist has been built for Costa by our recruitment and onboarding software provider and will be used for all direct and indirect workers.

The system enables Visa Entitlement Verification Online system (VEVO) checks to be completed at the click of a button saving a significant amount of administration and improving our compliance monitoring ability. It also enables scanning of photo ID cards at every site and every shift. Should a worker have an expired visa or not have completed the mandatory site induction, the scanner will alert the supervisor/site team to take action.

This system also enables us to proactively contact labour hire providers to ensure visa renewals are submitted on time. During the pilot, it proved beneficial in identifying issues and ensuring timely action to ensure compliance.

Following successful trials across several sites in 2021, the system will be expanded in 2022, creating a more efficient and transparent method of monitoring all workers on Costa sites.

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.



COSTA SUPPORTS STRONGER TOGETHER LAUNCH

Supported by Costa, Stronger Together launched “Tackling Modern Slavery in Business: A toolkit for Australian employers and labour hire contractors” and their “Tackling Modern Slavery in Business – Australia” e-learning modules in November 2021.

The launch event enabled Australian businesses with international supply chains across different sectors to share experiences, good practices, and tips across the supply chain, moving beyond just compliance. Participating in the event, we shared our approach to identifying forced labour and hidden labour exploitation and also provided first impressions insights from a Costa employee who had completed the e-learning modules.

Using the Stronger Together toolkits we have also refocused our efforts, for example changing the location of whistleblower posters to encourage disclosures, and increased communication through our internal weekly e-newsletter.

RESPONDING TO COVID-19

As the COVID-19 pandemic continued in 2021, Costa's focus has remained on protecting the health, safety and wellbeing of our employees, their families, and the communities in which we operate. This approach is guided by our People First values and underpinned this year with the launch of our Costa Care initiative.

We are proud of the commitment and professionalism of all our teams in the face of the pandemic. This has enabled our farms and sites to continue to operate to meet the needs of our customers, and importantly to be able to supply fresh nutritious fruit and vegetables to communities across the globe at time when it was most needed.

Throughout the pandemic, our response has been in line with the relevant Australian federal and state health departments

and workplace health and safety authorities, as well as relevant in-country health authorities in Morocco and China.

A group wide COVID-19 action plan continues to be followed to ensure safeguards are in place including the provision of PPE, temperature testing and specific working teams to reduce the risk of spreading the virus. On-site vaccination clinics were held at a number of sites, in partnership with local health providers. In Victoria, Costa partnered with

Sunraysia Community Health Services to assist and encourage people in the region, including our employees, to access COVID-19 vaccinations. As case numbers increased in the latter part of 2021, our response included direct support for employees isolated with coronavirus.

We also implemented a range of health and wellbeing initiatives to provide increased support for people working at home and isolated for long periods of time. This included an online two-part program on Mental Health Wellbeing. This was supported by health and wellbeing information provided on a weekly basis through an e-newsletter sent to all staff.



LOOKING AHEAD

As we continue to mature in our response to modern slavery risks, we remain focused on continuous improvement across our Australian and international operations.

Our actions in 2021 have laid a solid platform for further improvements in our approach and systems in 2022. As outlined earlier in this statement, in the upcoming year we will commence monitoring compliance with our new labour standards policy, we will implement our remediation framework and will continue to integrate supplier risk ratings into our procurement processes. We are also strongly committed to further aligning our processes across our Australian and international operations.

Additional resources, through our new People Assurance Team, and enhanced technology will play a key role in ensuring we continue to make strong progress in the year ahead.

As part of this journey, the Modern Slavery Working Group has set six key targets for the 2022 reporting period to enable Costa to track and assess the effectiveness of its actions against modern slavery.

ACTION PLAN FOR 2022

Description	Target to be achieved
% 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. <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	<ol style="list-style-type: none"> In 2022, train 100% of people currently in key roles*. Train people newly entering key roles within six months of their commencement in that role.
General awareness training	Prepare Awareness Training Modules/ materials and make available on Costa Central – and directly encourage 100% of staff to view. Use additional tools for communication as required. General awareness communication to be provided to 100% of partner growers.
Audits	10% of grower sites audited within the 2022 reporting period.
Whistleblower hotline	100% of sites including international to display hotline posters in local languages.
% suppliers to the Australian business in SAP provided the Supplier Code of Conduct**	100%

* roles having significant labour management and/or supervisory responsibilities, along with all human resources 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 24, 2022.

Neil Chatfield

Chairman, Independent Non-Executive Director

Sean Hallahan

Managing Director and CEO



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

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

Mushroom Exchange Holdings 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	3
Describe the reporting entity's structure, operations and supply chains	5-9
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	10-11
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.	12-20
Describe how the reporting entity assesses the effectiveness of these actions.	21
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).	22
Any other information that the reporting entity, or the entity giving the statement, considers relevant.	22-23