

Gender Pay Gap - Employer Statement 2024

Costa seeks to use this opportunity to not only share the details and context of our gender pay gap, but also highlight the actions we have committed to undertake as we work toward addressing this gap.

Our overall approach

Costa has a strong commitment to gender equality and providing opportunities that enable women to reach their full potential. The company promotes gender diversity as an important strategic and cultural factor to achieve business objectives across the organisation. To achieve greater diversity, Costa is committed to ensuring that talent is nurtured and developed effectively.

In support of our commitment to greater diversity and gender equality, we believe in being transparent in the way we share this information and do this through our annual Sustainability Report. This includes a detailed quantitative breakdown of workforce demographics and hiring statistics. We also provide qualitative information on our diversity initiatives, and practical examples of our inclusive culture from across our workforce.

Our gender pay gap and organisational context

At the time of reporting, women represented 58% of the international workforce and 35% of the Australian workforce. During the past two years, the number of women in key management position (KMP) roles have increased from zero to 20% (or 1 in 5). The number of women in managerial roles has increased from 22% to 25%. This has been achieved through a focus on effective succession planning and execution, and targeted talent processes.

Costa's average total remuneration gender pay gap for the 2022-2023 period was 11.8% and the median was 5.2%. When compared with the Agriculture, Forestry and Fishing Industry Snapshot, Costa's pay gap is +5.1% compared to the average (mean) total remuneration of 16.9% and +5% versus the median total remuneration of 10.2%.

Over the last two years, Costa's total remuneration gender pay gap has reduced by 7.8% and the median has reduced by 3.9%. This is largely as a result of the development and implementation of a remuneration framework and salary bands; the allocation of a dedicated group remuneration and benefits resource, focused on detailed analysis and reporting; and regular gender pay equity reviews.

In addition, Costa has invested in building the competence of leaders and HR personnel across both remuneration and pay equity, increased pay gap transparency through salary review processes, and has communicated the remuneration framework broadly across our workforce.

Gender pay gap drivers

The main driver behind Costa's gender pay gaps is that women represent 17% of those earning an income in the top quartile (25%). This figure is representative of an industry-wide talent gap in the operational leadership stream which has resulted in a lack of women being in the pipeline for KMP roles. Despite an intensive effort to recruit and retain graduate women in agronomy positions, these roles have not translated into operational leadership positions. This is now a focus for Costa.

In addition, women in senior leadership teams are underrepresented through Costa's acquisitions given farming is historically an industry that has been a more male dominated profession. In recognition of this, Costa is embedding a number of initiatives that are expected to increase the representation of senior women, including:

- A formal annual gender pay gap review – role by role comparison review with the CPO, COO and CEO
- The implementation of consistent performance development processes across all salaried staff, ensuring every employee has a development plan
- A review of Costa's leave policy and parental leave offering leading to an increase in paid entitlements for all carers
- The development of a parental leave toolkit

- The introduction of group-wide succession and calibration processes leveraging women in top talent
- Operational career pathways, with development points articulated from entry level roles to Executive
- An incentive program that recognises the development and succession of leaders
- Engagement surveys and exit interviews with specific questions relating to pay and reward
- The development of a diversity and inclusion reference group
- The launch of a sexual and sex-based harassment policy, mandatory training and a contact officer network.

Actions and Strategies

Costa's action plan to narrow the gender pay gap includes:

- A diversity metric incorporated into all Executive's annual incentive plans
- A gender equality strategy that includes the six WGEA gender equality indicators
- A policy and system that enables complaints to be escalated safely and confidentially via alternative pathways
- A review of Costa's diversity, recruitment and flexible work policies.

Costa is currently in the process of a change of ownership and therefore anticipate that the new owner will add to the action plan once the acquisition takes place.