



Sustainability Report 2023

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Costa has developed a Sustainable Commercial Farming ‘Overarching Objective’ which broadly defines not only what we are seeking to achieve but also acknowledges the environmental and social responsibilities that go hand-in-hand with integrating Sustainable Commercial Farming into everything we do at Costa.

Where We Operate

Western Australia

Berry Farms
Gingin, Neergabby

Compost Facility
Mandurah

Distribution Centre
Jandakot

Mushroom Farm
Casuarina

Select Fresh Group
Canning Vale

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



Queensland

Avocado Farms
Atherton, Paddys Green, Dimbulah, Childers

Banana Farms
Walkamin

Berry Farms
Atherton, Tolga, Walkamin

Brisbane Wholesale Market
Rocklea

Citrus and Table Grape Farms
Emerald, Dimbulah

Table Grapes Farms
Mundubbera

New South Wales

Avocado Farms
Comboyne, Fishermans Reach

Berry Farms
Corindi, Rosewood

Citrus Farm
Trentham Cliffs

Distribution Centre
Eastern Creek

Table Grape Distribution Centre
Euston

Tomato Glasshouses
Guyra

Victoria

Docklands Support Centre
Docklands

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

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



CEO Report



Marc Werner
Chief Executive Officer, Director

I am pleased to present our 2023 Sustainability Report. Our Sustainable Commercial Farming vision, formally launched in 2018, has set a clear pathway for how we do business and the importance of sustainability to our success and long-term growth.

With our 10 key principles now well and truly embedded in all our operations, as the external environment changes, we are also continuing to adapt our response and sustainability initiatives. This will ensure we continue to play our role in reducing emissions and the impact of climate change.

In this report we highlight our progress and achievements, and our commitment to pioneering and leading the way on the development and implementation of sustainable solutions within the horticulture sector.

In the second half of 2023, Costa received an unsolicited indicative proposal from a North American based consortium made up of Paine Schwartz Partners, Driscoll's Limited and British Columbia Investment Management Corporation to acquire all of the issued shares in Costa Group Holdings Ltd, which was supported by the Costa Board. Following the due diligence and associated requirements of this process, Costa shareholders voted to accept this proposal at the end of January 2024 and Costa was delisted from the ASX in February.

The new owners of Costa Group not only have experience operating in the agricultural sector, but they also have an established and demonstrated commitment to sustainability. Costa looks forward to the many opportunities this presents.

The safety of our people remains our highest priority and a key focus has been aligning our Australian systems and processes with those in our international operations. This has included the rollout of our High-Potential Incident (HPI) program into China and Morocco in 2023.

Following on from our Materiality Assessment completed in 2022, we continued work on the development of targets and in particular planning for the introduction of the mandatory Australian sustainability reporting that will be required of Costa in 2025. Planning has also been undertaken for the Taskforce on Nature-related Financial Disclosure recommendations. Reporting for these standards is being developed and targets will be confirmed, along with a renewed review of SBTi, as the ownership transition is completed.



Our path towards net zero carbon emissions by 2050 will involve significant opportunities and challenges within our business. Of key importance is looking at new energy sources and pleasingly in 2023 we were able to commission five additional solar energy systems, with further installations planned for 2024. Work is now also progressing on the identification and assessment of renewable energy sources for our glasshouse operations. This includes evaluating emerging European technology and identifying and assessing commercially viable solutions for our operations in Australia.

During 2023 a comprehensive business wide Water Risk Strategy was developed and endorsed by the Costa Board, detailing current risks and future mitigation strategies. The strategy reflects our focus on measures to address the impact of short and long-term variable climatic conditions, while continuing to adopt new technology which will help us optimise our water use.

Our program of protected cropping remains a strategic priority, with a focus on mitigating and adapting to the risks presented by severe weather events.

Waste remains a key focus for the business and in 2023 we continued our efforts to both minimise the amount of waste generated in our operations and to find new recycling solutions. Our berry team in Corindi, for example has worked closely with a local recycling operation to find re-use and recycling solutions for the majority of on-farm waste, including irrigation drip line resulting in significant savings in the volume of waste to landfill.

Our commitment to being a leader in sustainability is evidenced by our focus on developing innovative growing techniques. We celebrated the first harvest from our commercial avocado substrate plantings in 2023, proving the concept we began trialling in 2017. Reducing the time from planting to first crop by two to three years, means less resources used for a greater yield.

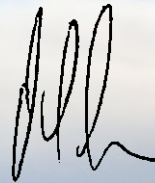
In our citrus operation, we are implementing sophisticated crop data management tools which is already showing dramatic increases in forecasting accuracy and in turn helping to reduce fruit waste.

As you will read in this report, we are also collaborating on a number of projects in relation to pollination security, biodiversity and new non-chemical methods for pest control.

Through all of our activities, our people remain at the heart of our business. We are committed to providing a safe and respectful workplace, which supports and celebrates diversity. Reflecting our commitment to continuous improvement, in 2023 we have implemented a new sexual harassment policy and developed a range of resources to ensure we can provide a harassment-free workplace. Through Costa's Engagement Hub we are continuing to make strides in the understanding of our culture, and the level of positive engagement required to ensure it continues to evolve.

Our support for the communities in which we farm and work also remained strong during 2023. Through volunteering programs, sponsorship of local community organisations and events, and support for education we continue to play a key role in the regions in which we operate. Nationally, our long-term partnership with Foodbank provided much needed food relief at a time when more and more people are experiencing hardship.

In 2024, we look forward to continuing our sustainability journey and defining our path under a new ownership model, which will mark another important milestone in Costa's long and successful history.



Marc Werner
Chief Executive Officer, Director

Our Strategy

Finding more sustainable ways to make fresh, healthy food available for everyone is one of the most critical issues of our times and we believe that Costa has a vital role to play.

Our challenge is balancing commercial fresh produce production with environmental responsibility and affordability with quality, so that healthy and nutritious food is available to everyone for generations to come.

At Costa, we call this Sustainable Commercial Farming, and we are proud to lead the way. Costa has developed a Sustainable Commercial Farming 'Overarching Objective' which broadly defines not only what we are seeking to achieve but also acknowledges the environmental and social responsibilities that go hand-in-hand with integrating Sustainable Commercial Farming into everything we do at Costa.

Our Sustainable Commercial Farming Overarching Objective:
Costa has adopted a systematic and tailored Sustainable Commercial Farming strategy to ensure that we work for the long term to progressively improve the yield and quality of our healthy and nutritious products whilst achieving a per unit reduction in crop production inputs.

We acknowledge responsibility for the environment and communities within which we farm and grow our crops. We recognise that innovation is required to enhance productivity, reduce waste, and adapt to challenges presented by such issues as water security and climate change, while continuing to supply product that is fundamental to the maintenance of a healthy and balanced lifestyle.

Furthermore, we will regularly undertake reviews beyond our own farm footprint with our partner growers and encourage them to be transparent about the challenges they face so that we can work with them to meet our standards.

To realise our Overarching Objective, we have established 10 Sustainable Commercial Farming Principles. The principles serve as a clear statement and commitment to what we consider to be the fundamentals of Sustainable Commercial Farming and what we commit to do in these areas.

Costa Group also supports the United Nations Sustainable Development Goals and have identified a strong connection between these goals and our Sustainable Commercial Farming principles.



Sustainable Commercial Farming Principles

UN Sustainable Development Goals



1. Water use and security

We will maintain a focus on reducing water inputs per unit of crop output through efficiency of water use and ensuring water security with a particular focus on water capture and recycling.



2. Climate change

We will continue to meet the challenges presented by climate change, using skills and technology to adapt to changing circumstances. This includes advancing the adoption and continued enhancement of protected cropping across our portfolio, developing new and more climate resilient crop varieties, finding new technological solutions and adopting the use of renewable energy sources where practical to do so.



3. Waste

We recognise that waste in all forms presents challenges with respect to its reduction. This requires a multi-faceted approach that includes adopting practices to reduce the impact on crop yield and quality loss, stringent post-harvest time-temperature management to extend product life cycles, active management of production waste, seeking ways to reduce packaging waste and removing or eliminating non and low value labour intensive activities.



4. Nutritional inputs

We will carefully select and apply crop nutritional elements and where practical endeavour to use organic and biological crop nutritional inputs. Care will also be taken to eliminate or reduce any migration of applied nutrients beyond our farm boundaries.



5. Biodiversity

Retaining a rich variety of plant life, native insects and soil microorganisms will enable us to continue our growing operations successfully and effectively for many years to come. We will prioritise the application of organic and biological pest and disease control methods on our crops where practical and cost efficient. Where chemical applications are required, these will be closely monitored to measure ongoing efficacy of use and to ensure compliance.



6. Production yield

We will continue to develop and embrace agronomic technology and practices to increase crop yields for each hectare farmed, including production which occurs out of the soil. We will also seek to better understand the variables in crop production via the use of advanced measurements and analytical tools to obtain improvements in agronomic practices.



Sustainable Commercial Farming Principles

UN Sustainable Development Goals



7. Productivity and efficiency

We will actively pursue investment that improves our productivity with a focus on the development of harvest and post-harvest automation initiatives to ensure long-term cost efficiency and pricing competitiveness.



8. Workforce

The knowledge and application of our sustainable farming practices is central to the development and training of our workforce. We also recognise they deserve a workplace that respects and recognises their basic human rights, is both safe and healthy, promotes diversity and provides opportunity for career advancement and training, while ensuring they are appropriately rewarded for their efforts.



9. Community

We will build and maintain an active involvement in supporting the social fabric of the many regional and rural communities in which we operate. Our footprint requires us to not only act and behave as a responsible corporate citizen, but also work closely with communities so they can benefit both economically and socially from our ongoing presence.



10. Health and wellbeing

We only grow healthy and nutritious fresh food that is acknowledged as being essential to maintaining a healthy body and mind. We take great pride in the fact nothing artificial is added to our products after harvest and sold fresh just as they are.



Our commitment to our stakeholders

Costa is the biggest fresh produce supplier to the Australian retailers and we have a strong and expanding global network. With this comes a responsibility to work together with our customers to support their goals and aspirations and provide sustainable, fresh quality produce to consumers at affordable prices. We share their commitment to sustainability including achieving a target of net zero emissions, reducing the incidence of food waste, developing closed loop packaging solutions, and ensuring the ethical sourcing and supply of products throughout the entire supply chain.

We are continuing to adapt and evolve our response in light of emerging trends and new regulatory requirements, while maintaining a focus on climate resilience and adaptation, water stewardship, protecting and enhancing biodiversity, reducing the nutritional inputs that are used in growing, and improving the communities in which we work.

Costa is committed to playing our part in making Australia's food and grocery supply chain and sector as sustainable as it possibly can be, while also contributing to our nation's food security and helping consumers to eat healthy nutritious food, affordably.

Task force on nature-related financial disclosures

Costa recognises our reliance on, and potential impact on natural assets and ecosystems. We are monitoring the development of the TNFD framework, and similar to how we leveraged the TCFD framework to assist in elevating our maturity in assessing and monitoring our climate-related risks, we will leverage the TNFD framework.

Our Strategy Continued

Governance

The Costa Board has oversight of Costa's sustainability strategy and performance including overseeing progress toward achieving our Sustainable Commercial Farming goals.

This role also includes oversight of climate related risks and opportunities, which during the reporting period was principally achieved through the work of two board subcommittees – the Horticultural Innovation and Technology Committee (HIT) and the Audit and Risk Committee (ARC).

The Board also works with our CEO and Executive Leadership Team to review and evaluate key performance indicators and initiatives and to identify, assess and manage climate related risks.

The HIT Committee met at least quarterly with one of its areas of focus on adapting to the impacts of horticultural risks, including those relating to climate change. The Committee provided a forum for management and technical personnel to challenge the traditional horticultural model and to present innovative concepts and programs which aim to significantly advance Costa's performance and management of climate related risk.

The ARC, which also met at least quarterly, had responsibility for oversight of the company's Enterprise Risk Management (ERM) program, including climate-related risks that are analysed and reported on by management. Executive Risk Owners are in place for all key enterprise risks including a number that are either directly climate related (e.g., change and weather volatility) or risks that will be significantly impacted by climate change.

Management also provides the Board with an annual Water Risk Management paper, which covers in detail short- and long-range climate outlook and category and site-specific risk assessments covering water usage, security, pricing, competing use and climate trends.

The strategic management of sustainability is led by our CEO and the Executive Leadership Team, who develop and monitor sustainability initiatives and projects, policies and standards. The daily management of our Sustainable Commercial Farming commitments and implementation of objectives is fulfilled by all Costa leaders and their teams.

We continue to monitor the landscape in order to proactively adapt to changes when practical, advantageous to do so or necessary.

Strategy

Climate change is a key challenge for Costa as it relates both to the physical risks and transitional risks and opportunities, and as such is a feature of strategic planning, capital investment and allocation decisions and integrated into the Company's Enterprise Risk Management (ERM) program.

In the near-term, the risks and opportunities associated with climate change are the most acute to Costa's operations and strategy, in the form of:

- a) Weather volatility
 - Risks: Impacts our crops and our assets, along with the assets and distribution channels available to key input suppliers and customers. This risk also has the potential to harm our employees and our communities.
 - Opportunities: Costa's geographic diversification of crop-types and growing regions will provide advantage relative to competitors, as will Costa's continued investment in protected cropping. Additionally, as our customers (major retailers) focus in this area they will increasingly value companies such as Costa that can manage these risks to ensure consistency of supply. Costa is also exploring adaptations to current agronomic practices which should serve to continue to provide competitive advantage.
- b) Water security
 - Risks: Increasing temperatures and changing climates may impact our ability to source sufficient good quality water, whether that be due to changes in the price or availability of quality water.
 - Opportunities: Strategic security of water relative to competitors in similar regions, or strategic advantages through operating in more water abundant areas relative to competitors' farming footprints.
- c) Plant and crop quality
 - Risks: As climate changes our plant and crop health and pest and disease pressures will also evolve and may challenge our ability to deliver high-quality fresh produce.
 - Opportunities: Exploring adaptations to current agronomic practices which should serve to continue to provide competitive advantage, as well as proactively investing in and researching more resilient crop varieties through robust varietal improvement and selection programs.

As the world accelerates in its response to climate change through action and policy measures, Costa recognises that its ongoing success will not be immune to transition risks and opportunities relating to climate change – whether that be in the form of changes such as carbon pricing mechanisms or changes to policy maker focus on food security. Costa's key impacts relating to transition risks are:

- Packaging – many of Costa's products are supplied to consumers in packaging. Any regulatory changes in this space will require Costa to adjust its operating process or model to respond.
- Carbon emissions – continued regulation and requirements on carbon emissions will put pressure on Costa either to reduce its own carbon emissions footprint, or the market effects (increases to cost of electricity) of transitions to a more renewable energy supply.

We continue to monitor the landscape in order to proactively adapt to changes when practical, advantageous to do so or necessary.

Costa is heavily reliant on nature as part of its business model. Costa recognises this and as previously mentioned, is working to utilise the TNFD framework to identify the material risks and opportunities that Costa will need to focus on.

Risk management

Costa's formalised ERM program was overseen by the Board, Audit & Risk Committee, and the Executive, and is aligned to the principles outlined in AS/NZ ISO31000. Costa's Risk Management Framework consists of a suite of processes and policies that underpin the risk management process:

- Risk Management Policy
- Risk Appetite Statement
- Enterprise Risk Management Framework Document
- Risk Escalation Policy

These documents govern the Group-wide process for identifying, assessing, prioritising and monitoring risks, including those that are climate-change related.

As part of the ERM program the Board and Executive Team have identified a standalone enterprise risk of 'Climate and Environment', whose delegated Risk Owner is the Chief Executive Officer. Additionally, there are a number of key strategic and operational risks analysed as part of the ERM program that are climate-change related in nature.

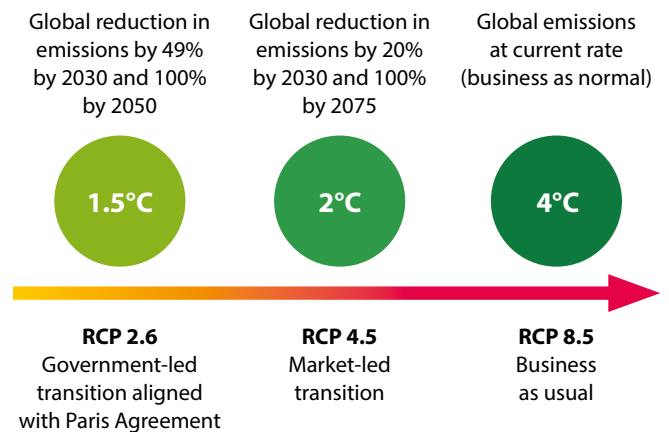
In 2023 the ERM program prioritised risks for additional analysis and Board discussion based on the severity rating assigned to them after risk assessments performed by the Enterprise Risk Owners. Climate and Environment risk was analysed in depth and had a number of risk treatment plans proposed to further enhance the Group's management of this particular risk.

In further analysing existing enterprise risks relating to climate, Costa has historically utilised the UN's Intergovernmental Panel on Climate Change RCPs (Representative Concentration Pathways), which model how concentrations of greenhouse gases in the atmosphere will change in the future as a result of human activities. (See diagram below)

Outlining these distinct scenarios allows for each risk to be further interrogated and additional consideration given to the possible impacts and the sufficiency of our existing responses and mitigation activities. Climate change risks, as well as opportunities, are described in more detail in Appendix 1.

The time horizons disclosed in the table have been formulated based on Costa's strategic planning horizons, considering a blended 'useful life' of our crop footprint and other strategic imperatives.

Time horizon	Costa definition
Short	Current, next 18-24 months
Medium	~2 years to 5 years
Long	> 5 years









Targets and Reported Metrics

Setting of emissions target

Costa is committed to achieving net zero carbon emissions by 2050.

Reported metrics

For CY2023, our Reported Metrics are:

-  • Greenhouse Gas emissions
-  • Energy consumption
-  • Solar generation
-  • Water use by category
- Total water use
- Water use efficiency – kilograms of produce per megalitre of water used.

These metrics are included in the following section, which also includes highlights of our activities relevant to our Sustainable Commercial Farming Principles.

Additionally, as targets for material items are developed, Costa will also disclose progress towards these in readiness for mandatory Australian sustainability reporting. See Appendix 2 for details on Costa’s preparation for these mandatory disclosures.

Sustainable Commercial Farming Principles



Water use and security

Water consumption by category (ML)

Category	CY22	CY23	Overall Notes
Avocados	3,686	4,203	Overall water consumption increased in CY23 due to lower rainfall in all farms, except Far North Queensland, compared to CY22.
Bananas	1,450	1,299	Removal of lady finger variety during CY23 resulted in a smaller footprint at Walkamin and less water required.
Berries (Aust)	2,657	3,245	Increase in total water used due to: dry winter conditions in Corindi which provided excellent growing conditions but required additional water to support the higher yields; a cool winter in WA requiring water use for frost protection and the impacts of conversions from soil to substrate production which increase overall use but improve water use efficiency. Overall water use efficiency (kg/ML) was similar to the previous season.
Citrus	33,007	39,696	Water efficiency decreased slightly as expected due to younger citrus trees requiring more water as they mature.
Mushrooms	412	381	Continued improvement in water use efficiency driven particularly by Casuarina WA which implemented improved water saving techniques and procedures.
Tomatoes	702	621	Higher light levels resulted in increased water consumption and decrease in water use efficiency.
International – Morocco	2,361	2,292	Reduction in overall water use due to slight decrease in footprint.
International – China	2,204	2,479	Increased water use as Agri Park farm (100ha) plants mature.
Total	46,479	54,214	

Kilogram of produce per ML of water used

Category	CY22	CY23
Avocados	1,980	2,213
Bananas	3,994	3,829
Berries (Aust)		
Blueberries	3,240	3,553
Blackberries	6,200	6,310
Raspberries	3,930	3,539
Strawberries	15,861	15,386
Citrus	3,426	3,234
Mushrooms	62,720	66,156
Tomatoes	36,867	27,569
International – Morocco	3,070	2,738
International – China	2,910	3,463

Water security strategy

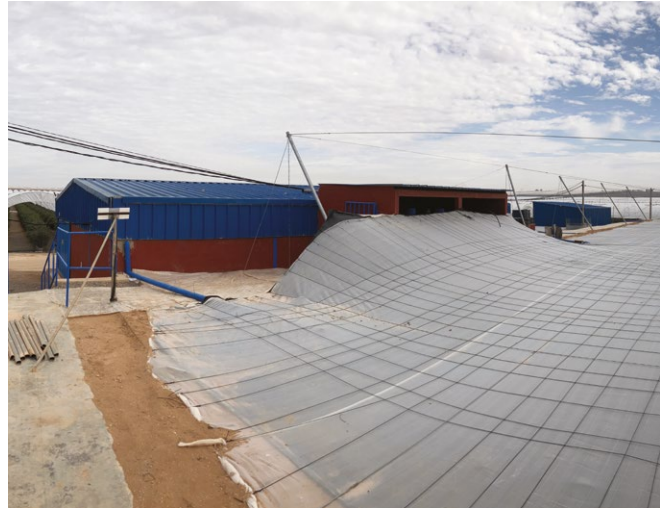
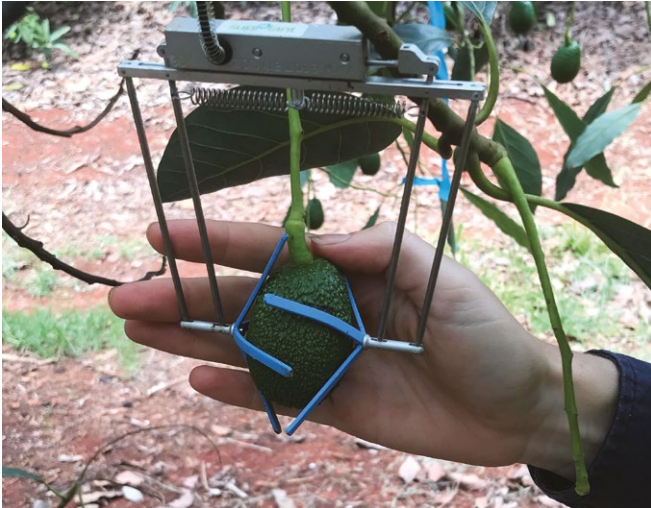
During 2023 a comprehensive company wide Water Risk Strategy was developed and endorsed by the Costa Board, detailing current risks and future mitigation strategies.

The risk assessments were prepared using multiple risk criteria across key areas including water security, water price, competing use and climate trends.

The Strategy has outlined short and longer-term measures, with a focus on implementing a clear action plan to mitigate to the extent that it is possible, through planning and priority investments, the impact of long-term future variable climatic conditions.

Sustainable Commercial Farming Principles Continued

Water use and security Continued



Optimising water use through technology

Following the successful trial of new irrigation scheduling technology, which we reported in our 2022 Sustainability Report, the technology is now embedded in Costa's avocado operations in Childers, Central Queensland.

The SupPlant irrigation sensing hardware and software, which is being used across 200 hectares of avocados, analyses live data from plants, soil and meteorology sensors, providing real time information on plant stress and growth rates. It has proven to be effective in optimising water and nutrient application and in optimising fruit size in avocados.

By measuring the circumference of each tree, data is collected on when the tree is expanding and contracting to determine when it is 'active'. This data is then used to apply water and nutrients more accurately.

The technology also provides more accurate fruit size measurement, which enables the application of nutrients to be adjusted through the growing phase to achieve an optimum size at harvest. With tight market specifications for fruit, this has the potential to reduce fruit waste and optimise returns.

The berries team in Western Australia has also been trialling new sensor technology in a bid to reduce water use and maximise the efficiency of nutritional inputs.

The trial involves sensor technology developed by Mait Industries which has been installed in 12 of the blueberry blocks to measure substrate moisture content from the pots. The sensors provide more accurate and timely information than is gathered using the traditional manual drain checking methods.

This enables the team to become more efficient with water management, which in turn improves crop quality and yield potential, while minimising crop stress.

Improving water quality in Agadir

At the Massa farms south of Agadir in Morocco water supplies are drawn from groundwater and stored in plastic lined basins. These basins have historically suffered from algae blooms due to high temperatures and potential nutrient import from dust events. This creates issues in the irrigation system which can lead to increased water use due to the need for additional water flushing.

In 2022, a program to cover the basins with a suspended fabric roof was implemented, to reflect the heat and prevent sunlight from supporting algae growth. The covers also prevent dust and debris from entering the water, reducing any possible nutrient load.

A review in 2023 found the water quality had improved significantly, with no signs of algae development and no chemical treatments required. Water evaporation has also been reduced.

The SupPlant irrigation sensing hardware and software, which is being used across 200 hectares of avocados, analyses live data from plants, soil and meteorology sensors, providing real time information on plant stress and growth rates.



Climate change

Greenhouse Gas (GHG) emissions (tonnes CO₂-e)

National

	2020-21	2021-22	2022-23
Total Scope 1** & 2 [^]	121,270	133,601	127,192
Scope 1	63,967	73,365	77,398
Scope 2	57,303	60,236	49,794

International

	2020-21	2021-22	2022-23
Total Scope 1** & 2 [^]	NA	8,038	8,885
Scope 1	NA	1,455	1,706
Scope 2	NA	6,584	7,178

Most recent reporting period for Australian operations only – National Greenhouse & Energy Reportings. 19 Energy and Emissions Report.

** Scope 1 emissions include combustion of fossil fuels (e.g. natural gas, fuel oil, propane, etc.), combustion of fossil fuels (e.g. gasoline, diesel) used in the operation of vehicles or other forms of mobile transportation and unintentional release of GHG from sources including refrigerant systems and natural gas distribution.

[^] Scope 2 emissions include Indirect GHG emissions from consumption of purchased electricity, heat or steam.

International figures for 2021-2022 reduced after correction, given updated China data.

Note: full verification directly with energy providers has not been possible for Morocco and China so there may be small anomalies in the data.

Calculation of energy to CO₂ equivalent is based on Victorian emissions reporting standards.

Energy consumption (GJ)

National

	2020-21	2021-22	2022-23
Total Energy Consumption	1,090,286	1,161,453	1,223,349
Total Energy Produced	8,478	7,645	6,608
Energy Consumed Net	1,081,808	1,153,808	1,216,741

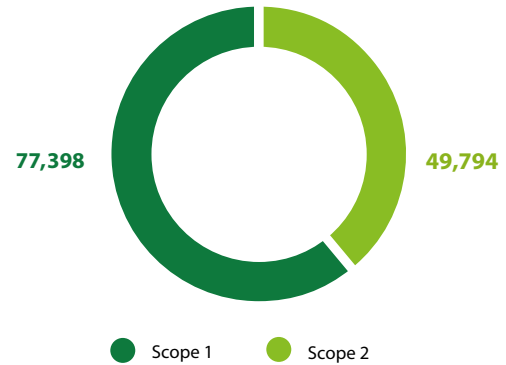
Energy produced for 2022-23 is slightly under estimated due to a lack of measurement data for several months at the Monarto site. The energy produced in this period was consumed by the facility.

International

	2021-22	2022-23
Total Energy Consumption	47,028	52,991
Total Energy Produced	-	-
Energy Consumed Net	47,028	52,991

GHG emissions

Scope 1 and 2 emissions



Renewable energy

Costa has identified the adoption of renewable energy sources, and in particular solar energy, as a priority and continues to invest in solar projects across a range of sites.

In 2023 there were five additional solar energy systems installed, bringing the total number across our Australian operations to nine with further installations planned for 2024.

Our Monarto Mushroom farm in South Australia contains our largest solar energy system, with more than 5,000 panels.

Solar generation 2023

Facilities/Farm	kW Installed	Solar Energy Produced kWh CY2023
Fishermans Reach Packshed*	100	38,517
Renmark Office*	30	17,740
Walkamin Berry Farm*	30	14,151
Tolga Berry Farm*	30	14,688
Atherton Berry Farm*	30	13,405
Monarto Farm	1900	2,247,231
EJT Packshed	100	39,799
Tumbarumba Packshed	30	16,011
Corindi Farm Dam (Floating Solar)	70	96,777
Total kW		2,498,319

Note: Solar produced is measured for calendar year 2023 vs. NGERs reporting is for 2022-23 financial year, hence solar produced by farm in the table above does not reconcile with 2022-23 reported data under NGERs.

* Indicates sites where solar was installed in 2023.

Sustainable Commercial Farming Principles Continued

Climate change Continued

Research aims to minimise CO₂ inputs

Costa has teamed up with scientists at University of New England (UNE), NSW Department of Primary Industries, and the Australian National University in a four-year, multi-stage project titled 'Managing CO₂ levels in controlled environment cropping systems to optimise yield'. The project is part of the Future Food Systems CRC.

The goal of the UNE-led project team is to help minimise CO₂ inputs into the Costa glasshouses in Guyra while maximising crop production, improving the operation's sustainability and boosting yields.

The primary aim is to define optimal CO₂ levels for tomato production in high-input controlled environments such as the tomato glasshouses. The team is also looking to quantify genotypic variation in tomato performance under the CO₂ growing conditions defined as optimal. A further purpose is to train and graduate a PhD student with knowledge and experience of the Australian horticulture industry and high-level expertise in controlled environment crop production.

Optimising inputs – chemicals, nutrients, water, electricity, CO₂ – is a major avenue for improving crop yield and quality, at the same time minimising where practical the use of precious, increasingly costly resources and inputs.

A project is also under way to explore alternative energy sources for the tomato glasshouse operations in Guyra, with several energy sources being reviewed. This includes the evaluation of emerging European technology and identifying and assessing commercially viable solutions for our operations in Australia.

The quadgeneration microturbine power system which we reported on in our 2021 Sustainability Report produced up to 65% of the energy required for the operation of the New England Highway glasshouse facility during 2023. This resulted in a significant reduction in the amount of power required from the electricity grid.

The quadgeneration gas turbines system is one of the first of its kind in the world to be used in a glasshouse environment. It uses LNG to run turbines that produce heat, power, dry cooling and CO₂.

Carbon dioxide is essential for photosynthesis – the process by which plants grow and produce food. Photosynthesis entails plants using sunlight to absorb CO₂ and water and convert them into sugars, cellulose and starch. In a glasshouse environment, injecting CO₂ above the ambient atmosphere increases production capacity.

Unlike traditional co-generation systems used in glasshouse applications, which produce power and directly inject CO₂ from the turbine exhaust gases into transport pipelines, the quadgeneration

system uses the exhaust gases from the turbines as combustion gases for specially designed gas burners. These burners can work in various mixing ratios of air/gas/flue burners, while also producing a higher concentration of CO₂.

Electric vehicles

Costa supports the Federal Government's National Electric Vehicle Strategy, announced in July 2022, and conducted the first trial of an electric truck at the Tasmanian berry farms in early 2023.

The Fuso electric trade truck was trialled in harvest operations, transporting fruit from farm to the East Devonport Distribution Centre, and taking packaging back out to the farm.

The initial feedback on the truck was positive with potential benefits in relation to reduced driver fatigue, due to the low/no engine noise and vibration and ease of operation, and improved fruit quality, due to the smoothness of the ride.

The main limitation currently on further use is the limited range available from one battery charge and the time required to recharge the battery.

The truck has a range of only 100 – 150km per charge. This allowed only four trips before recharging with a daily requirement for six to eight trips per day. Battery recharging time is 10 hours on a normal charger, with faster charge possible on a rapid charger.

Discussions are ongoing with the manufacturer on how to improve battery life for trucks, while also continuing to explore sourcing of other electric farm vehicles.

Across the business, we are continuing to look at more sustainable options for vehicles as leases come up for renewal and we are regularly talking to manufacturers about electric tractors and forklifts.



Protected cropping

Costa's protected cropping program continued in 2023, with the focus on berries, citrus, table grapes and avocado substrate.

The program which involves netting over table grapes and citrus and poly tunnel for berries, is aimed at mitigating risk from climate change and in particular extreme weather events.

In 2023, protected cropping continues to be used in new and existing developments in China and Morocco, and 100% of the international berry crops are protected.

In the Australian berry crops, 100% of the raspberry, strawberry and blackberry crops are protected. Blueberry crops are 49% covered, bringing the total coverage across all berry types to 66%.

Avocado grown in substrate is 100% protected.

In our citrus and table grape crops, 4% of crops are covered with protected netting and we will continue to look at opportunities to increase crop protection where relevant.

The benefits of protected cropping were realised following a severe hailstorm in the Mundubbera region. In October 2022, a severe storm hit the Mundubbera grape property with hail and damaging winds. Compared to neighbouring properties which are unprotected, the impact on crop and fruit quality was significantly reduced.

Other benefits which have been reported included improved quality due to reduced wind scarring and reduced sunburn; increasing flowering and fruit set; consistent fruit quality and no bird damage.



Business unit	Total protected hectares	Total hectares	Percentage protected
Avocados & Bananas	32	922	3%
Citrus & Table Grapes	201	5,518	4%
Tomatoes	43	43	100%
Mushrooms	108	108	100%
Domestic Berries	481	727	66%
International Berries – China	400	400	100%
International Berries – Morocco	349	349	100%
Total	1,614	8,067	20%



Sustainable Commercial Farming Principles Continued



Waste

We are committed to reducing waste to landfill and continue with our efforts to introduce a closed loop system.

Our goal is to reduce waste at its source, reuse materials within our operations and to recycle materials wherever possible.

Following an initial assessment of our waste streams in 2022, we are continuing to improve our processes so we can effectively track our waste streams across our geographically diverse farming operations.

In our Australian operations in 2023, more than 70% of our farm and production waste is made up of pruned material, and spent compost and growing media (predominantly from mushrooms and berries).

Over 30% of our waste was mulched and/or composted, a significant increase on 2022, and over 40% sold to third parties for re-use/recycling.

We will continue to develop methodologies for measuring our waste streams to ensure we capture all waste generated by our business and so we can report on this reliably as the mandatory Australian sustainability reporting and Taskforce on Nature-related Financial Disclosure recommendations are introduced.

Packaging

In November 2023 the Federal Government announced it would step up as the new regulator of packaging standards. The introduction of increased regulations particularly with respect to minimum recycled content requirements, reduced harmful chemicals and traceability for recycled material is part of an increased government focus on sustainability, circular economy, and conservation. Costa is committed to reducing the use of non-recyclable packaging and is on track to meet the 2025 National Packaging Targets.

Costa is a member of the Australian Packaging Covenant Organisation (APCO), a not-for-profit organisation which has been working closely with the government to advocate for increased packaging standards and regulation. As a new member in 2022, Costa reported its first APCO annual report in 2023 and our overall performance was rated as 'leading'. This is defined as having made significant progress on the packaging sustainability journey and places Costa in a strong position to comply with any expected new packaging legislation.

Costa's packaging action plan lodged with APCO, outlines the next steps the business will take on its packaging journey. Among the targets are:

- 99% of our packaging to have all items recoverable at end of life.
- 94% of our packaging to be made from recyclable materials.
- 100% of our compostable packaging certified to Australian standards.
- 84% of our on-site waste to be diverted from landfill.

During 2023 a number of new packaging products and technology were trialled. These included a new paper bunch bag which was successfully trialled with the premium Vitor-branded AUTUMNCRISP® grapes.





The 'kerbside recyclable' bunch bag was developed with a focus on differentiating the premium variety at the store level in the domestic market. The bespoke packaging was developed with high specifications and a focus on sustainability.

In an evolution of the grape packaging, a fully sealed, fully recyclable paper bag was also developed for Costa's mandarins. Using the learnings from the grape packaging trials, the mandarin bags are sealed using heat applied to the paper coating.

For consumers, the bag provides convenience of a set weight of mandarins with no environmental impact. A similar bag is also being trialled for Costa's Lovacado range.

Costa's packaging was recognised with a Bronze Award for Vitor Grapes in the 2023 Food Packaging Design of the Year award, part of the 2023 Australasian Packaging Innovation and Design Awards, for grape packaging developed in 2022.

Costa also tested innovative laser etching technology on hard-skinned fruit to remove the need for fruit stickers.

PLU (price look-up) fruit stickers are used on individual pieces of fruit to convey price and in some cases contain QR codes to provide further provenance information, however they are generally not recyclable.

The laser technology, developed by Result Group's EcoMark, gives the ability to laser etch the avocado without impacting the produce at all.

The EcoMark Natural Branding removes or causes a pigment change in only the outmost layer of the fruit or vegetable peel. The laser beam remains so close to the surface that fruit and vegetables are completely intact beneath their skin or peel and shelf life is not impacted.

While still in the trial stages, the technology has potential to be a genuine replacement for PLU stickers.

Sustainable Commercial Farming Principles Continued

Waste Continued

Plastic crates save waste

In a win for the environment, Costa's Australian joint venture berry partner Driscoll's has switched from using single use cardboard packaging to reusable plastic crates for the delivery of plant material.

Plants have historically been delivered by Driscoll's to Costa in single use cardboard packaging, which was then destroyed or discarded on farms.

In 2021, the team began looking for a sustainable alternative for cardboard packaging, which would also improve plant quality and health and provide a safer solution irrespective of size or storage condition (fresh or frozen).

In 2022, Costa replaced 16,000 single use cardboard cartons with reusable plastic crates, and in 2023 they replaced 21,000 cartons.

In total in 2022, Driscoll's replaced more than 50,000 cardboard cartons with the reusable crates resulting in a total saving of 41 tonnes going to landfill and an estimated saving of 235 tonnes of greenhouse gas emissions.

In 2023 Driscoll's was forecasted to replace over 100,000 cardboard cartons.

For the Costa team, the change has resulted in a big improvement in on-site waste management.

In addition to the environmental and safety benefits, there were other benefits including improved packing efficiency, improved air flow and cooling, planting efficiencies and improved traceability of plants.

Re-use part of waste solution

Costa berries in Tasmania has also partnered with the Driscoll's nursery to turn a waste stream into a productive use. The Driscoll's nursery at Perth, Tasmania, produces millions of strawberry plants each year in plastic trays for supply to commercial growers such as Costa. The trays are used for a single season then disposed of, constituting a large volume of waste each year.

In 2023, these trays were reused by the Costa berries team to raise the raspberry, blueberry and blackberry pots off the ground to improve crop health. It's an excellent example of two inter-linked businesses working together to help solve a nagging problem whilst also significantly reducing waste.

Also, in East Devonport the team is trialling the reuse of coir, used for strawberry plantings in plastic troughs. The troughs were first introduced in 2022 as an alternative to plastic grow bags, and for the 2023 season two hectares were planted which is approximately 20,000 troughs. Results to date have been encouraging and the performance will continue to be monitored over the remainder of the season.



At the Corindi berry farm in New South Wales, a trial was conducted to investigate the use of composted plant material in new raspberry plantings to reduce the amount of coir required.

The Corindi team has also established an ongoing partnership with Mid North Coast Recycling Solutions, resulting in new recycling solutions for large volumes of agricultural waste. Starting with cardboard packaging more than five years ago, recycling has now been expanded to include tunnel plastic, plant pots and in 2023, irrigation drip line.

At the Costa tomato glasshouses, cardboard balers have been installed to compact packaging cardboard. This has significantly reduced the transport required for sending the cardboard for recycling, resulting in lower carbon emissions.

Across Costa, several sites are also participating in the state-based recycling programs for bottles and cans. At the Casuarina Mushroom farm, the team set up a program to collect bottles, cans and liquid paperboard cartons for recycling through the Containers for Change program.

Over the past two years, a total of 320 tonnes has been diverted from landfill at the Corindi berry farm including:

239 tonnes

Tunnel plastic

67 tonnes

Plastic pots

14 tonnes

Irrigation drip line





Nutritional inputs



Reef certification

The Hort360 Great Barrier Reef program assists horticultural growers to achieve best management practices across the Great Barrier Reef catchments. It helps growers to identify current on-farm practices and demonstrate improvements to the management of nutrient, pesticide, sediment and run-off.

Costa's avocado and banana farms in Walkamin, Tolga, Tully and Childers achieved Hort360 Reef Certification, demonstrating their environmental stewardship and industry best practice standards in the Great Barrier Reef catchments.

While the farms already had a range of environmental practices in place, achieving Hort360 Reef Certification provides an extra level of focus. The Certification process gave the team an opportunity to review their operations and identify ways in which they could not only improve environmental outcomes, but also their own farm efficiency and productivity.

The Hort360 program highlighted additional areas that required more attention whilst also providing validation for all the positive changes that had already been implemented. Additionally, as the Hort360 Reef Certification aligns and leverages off current systems like Freshcare Environmental, it is more efficient for the grower with combined audits available to save time and administration resources.

Vegetation protects aquatic systems

At the Costa SQ farm in the Boashan region in China creek lines and steep slopes have been revegetated with grasses including Elephant Grass (*Pennisetum spp*) to minimise soil erosion. The farm includes 50 hectares of blueberry plantings, which are located on sloping topography.

The steep slopes are susceptible to erosion and dust from access roads and surrounding farmland can impact on fruit quality during harvest.

Creek lines and steep slopes have been revegetated with the tall grass, which has proven successful in preventing soil erosion and protecting nearby aquatic systems. The tall grasses have also been successful as a windbreak and in dust suppression. In addition, the grasses are cut periodically and used for livestock fodder, providing a renewable resource for local village residents.

Creek lines and steep slopes have been revegetated with the tall grass, which has proven successful in preventing soil erosion and protecting nearby aquatic systems.



Biodiversity

Research partners

The Vertical Farming Category is involved in a number of research projects run through the Australian Mushroom Growers Association.

One of the projects, through the University of Sydney, is investigating the biomarkers within mushroom compost. The quality and yield of mushroom crops relies heavily on the quality of compost used and this project is exploring how microbial populations within compost can be used to understand, measure and manipulate compost quality.

Samples are being collected throughout the composting process to look at the microbial population dynamics at different points along the composting timeline, how they align with other compost quality indicators, and correlating everything back to mushroom crop yield and quality.

The aim is to develop a database of compost 'biomarkers' (microbe indicators) for the industry, which will be able to be used to assist in maximising productivity and crop outcomes.

In another project, Costa has been providing compost and spawn to Agriculture Victoria which is investigating non-chemical methods to control sciarid flies, which can be a significant pest in mushroom production.

The Costa mushroom team is also involved in ongoing trials to identify sustainable and cost-effective alternatives to peat, which is a crucial material in mushroom production. Peatlands are one of the largest terrestrial organic carbon stocks globally, storing twice as much carbon as the world's forests. If undisturbed, peat layers are an effective permanent store of carbon.

Costa's Berry Category was an industry partner of the Pollination Security CRC bid, which is aiming to co-design and implement a strategy to improve pollination security that ensures agriculture can thrive and adapt. The CRC aims to build capability across the pollination sectors and drive change to strengthen Australia's food security, market opportunities and ecosystem health.

The Costa Berry Category also has a long-time relationship with the University of New England, collaborating on a range of projects related to pollination research including:

- Comparing bee and fly pollinators and their performance in raspberry and blackberry crops.
- Exploring the effectiveness of ants as pollinators in raspberry crops.
- Birds and bats as effective pollinators in blueberry orchards.
- A comparison of stingless bee versus honeybee pollen loads and how their abundances varied with season.

Costa has also participated in a research project supported by the Hort Innovation Pollination Frontiers Fund and the Tasmanian Government. The project investigated how effective hover flies (*Eristalis*) were in pollinating blackberries including the impact on fruit set and fruit quality.

The project used a closed pollination system to assess the effectiveness of the hover flies. It found that overall, the fruit size and shape was very comparable to fruit in systems open to other pollinators. The next step in the research is to release flies on a larger scale to look at dispersal and pollination.

Trial success for chemical free pest control

An ongoing trial using a chemical free method to control California red scale on citrus plantings continues to show good results after being expanded into the Riverland region.

The trial is in collaboration with US based company Suterra and uses a synthetic pheromone to interrupt mating activity. The method is now used widely in California citrus crops and received approval by the Australian Pesticides and Veterinary Medicines Authority in June 2022.

Traps are positioned in the citrus crop to assess the effectiveness of the pheromone. Following the 2023 trial, it is anticipated the use of conventional spray chemicals will be significantly reduced in the spring of 2024.

At the 2PH citrus operation in Emerald, Central Queensland, a digital system has been implemented for fruit fly trapping which is also aimed at reducing the requirement for chemical sprays.

The RapidAIM system uses traditional natural traps combined with digital sensors to provide an accurate and granular view of fruit fly activity. This in turn enables more targeted use of chemical pest control and assists to achieve our goal of increasing yield while minimising inputs.

Sustainable Commercial Farming Principles Continued

Biodiversity Continued

Reducing pest pressure

The team in China is using beneficial insects to help manage pest and disease pressures. In 2023, the team has been attempting to control mealybugs with the use of *Cryptolaemus* and are developing projects to breed parasitic wasps that work against mealybug. The parasitic wasps were caught and identified from the blueberry crop and are being evaluated for their efficacy.

Other biocontrol agents, such as *Bacillus subtilis* and *Trichoderma harzianum* to control rust on raspberry and blueberries in the holding nursery, have shown some success, helping to reduce chemical rotations.

A biodiversity project was undertaken at Costa's East Devonport Strawberry farm to reduce the amount of thrip pressure early in the season, while also reducing the cost of thrip control and increasing on-farm biodiversity.

Thrips cause significant damage to strawberries by causing the skin to bronze while feeding.

Predatory Orius bugs are released during the spring to help reduce this pressure. The Orius are effective at controlling the thrips but relatively slow to establish in the cooler weather (compared to thrips) and are very expensive.

The Tasmanian team established a series of banker plants grown in IBCs (intermediate bulk container). Banker plants are usually ornamental plants that act as an alternative home to the beneficial organism. When the main crop is ready, they can be easily relocated back into the crop from the banker plant.

A major issue with releasing Orius too early in the season is the fungicide program which can harm the predators. The portability of the IBCs meant the beneficial predators could be moved out of the way before a spray is applied.

Tree planting improves biodiversity

At the Nambelup mushroom compost facility in Western Australia, a tree planting program has been undertaken to assist in reducing nitrogen levels in the ground water table and to attract native birds to the area.

Around 100 trees including fruit trees, Casuarinas and other native trees have been planted on the property boundary. Results to date have started showing a slow reduction in nitrogen in the water table. The Casuarina mushroom farm in Western Australia also undertook a tree planting program, to coincide with World Environment Day on June 5.

A total of 170 plants, including a mixture of paperbarks, Grevilleas and coastal Rosemary were planted to entice more native birds to the area and to naturally control crop pests. The trees, which include indigenous species, will also act as a wind break and provide a mix of habitats.

At the Costa berry farm in Corindi, New South Wales, native tree planting has continued around the north and south banks of the farm's Stage three dam.

Plantings have included a variety of native trees and bushes with wetland species, including *Lamandra hystrix*, *Juncus usitatus*, *Carex appressa*, *Callistemon salginus*, *Leptospermum polygalifolium*, *Melaleuca nodosa*, *Tristaniopsis laurina*, *Westringia fruticosa* and *Melaleuca ericifolia*.

The plantings have a range of benefits including regeneration of native flora, providing habitat for beneficial insects, increase of biodiversity, increase organic matter and carbon storage, as well as helping to manage invasive weeds.

170 plants

including mixture of paperbarks Grevilleas and coastal Rosemary were planted to entice more native birds to the area and to naturally control crop pests.





Production yield

Data tracking improves yield forecasting

In 2023, Costa tested a sophisticated crop data management system 'Green Atlas' on citrus crops in Emerald, Central Queensland and the Riverland, South Australia, and avocados in Queensland.

Green Atlas is a precision crop load management system, which enables the collection and analysis of data across the entire spectrum of the fruit life cycle. Using advanced vision systems, it enables managers to track data across a whole orchard and by block relating to total fruit, fruit size distribution, fruit clustering, colour development (related to ripeness) and canopy volume.

This enables tactical decision making relating to hand thinning and optimal harvest timing on a block-by-block basis, which in turn reduces fruit waste.

The controlled introduction of vision systems to orchard operations has resulted in a dramatic increase in forecasting accuracy and situational awareness and will help to inform the introduction of further agricultural technology innovation in areas such as smart spraying, harvest automation and next generation tree architecture.

Innovative growing techniques boost yield

Reducing the time from planting to harvest has proven a major benefit in Costa's innovative program for protected, trellised, high density avocado growing which was first trialled in 2017.

Commercial plantings of avocado in substrate are being undertaken in the Riverland region, South Australia, and Central and Far North Queensland.

In the Riverland, the 12-hectares of plantings have produced a crop within the first 18 months, compared to at least four years from planting to harvest in a traditional field grown crop. The average yield per hectare for this first year crop was the equivalent of the yield from a mature field crop, showing great potential for increased yield as the crop matures.

The netting also provides protection from extreme wind and enables easier temperature modification within the closed environment in hot weather.

The Queensland crops are anticipated to follow similar timing in crop production.



Productivity and efficiency

Digital crop management

At Costa's majority owned African Blue operations in Morocco, a new digital crop monitoring and management system has been deployed providing visibility of farm climate and plant health data.

The technology, developed by WayBeyond, comprises a climate and environmental sensor network, an app for digital data capture of phenology and scouting information, and a data visualisation and analysis program.

With farms spread across a diverse geography the technology has enabled the team to monitor each of the farms remotely, without the need for travel. The technology provides greater insight into crop development and the impacts of weather events such as frost. It is also enabling the team to reduce the use of pre-emptive pesticide use, as there is improved understanding of humidity and associated pest and disease risks.

Robotic Burros drive efficiency

Semi-autonomous robotic 'Burros' are being used in the Costa Berry Category to improve harvest efficiency.

The Burros are small four-wheel robots which use computer vision and high-precision GPS to navigate autonomously up and down rows collecting trays of fruit and delivering them to the harvest chariots ready for weighing.

Costa has an exclusive arrangement with Californian based Augean Robotics for the use of the technology in all locations where Costa farms berries. Trials were conducted at the Corindi, FNQ and Gingin berry farms to test their capabilities in a variety of settings, before broad scale implementation.



Sustainable Commercial Farming Principles Continued



Workforce

Costa values

The Costa business is founded on the principles of People First, a character and values-based program that is driven by passion and performance.

Costa is only as successful as its people. We strive for integrity and honesty in ourselves and seek out these qualities in our partners and employees. By valuing and rewarding character, we're ensuring the sustainability, development, and profitable growth of our business.

Passion

We have the energy and enthusiasm to challenge the status quo.

Determination

We act decisively and urgently.

Accountability

We focus on outcomes and deliver on commitments.

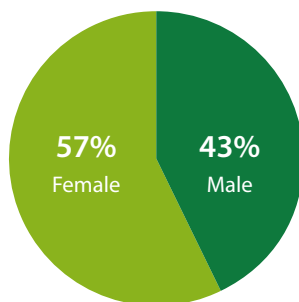
Sincerity

We act boldly in an open, honest and responsible manner.

Respect

We treat others as we expect to be treated in attitude, communication and personal safety.

Costa Group workforce gender composition*



91

Number of nationalities

* Costa Group workforce gender composition: direct hires only, total employees for the year, except China, where average numbers are used which is consistent with 2022. Costa records all gender compositions, including individuals who identify as neither a man or a women, or who do not wish to disclose. This cohort remains small and when rounded to whole numbers does not appear in the charts.

Employees by location

Locations	Hours	FTE
Costa Group	22,887,675	10,778
Australia	10,895,217	5,514
Morocco	6,247,194	2,502
China	5,745,264	2,762

Costa Australia operations**

21%

women in senior management roles or above

66%

of all non-manager promotions were awarded to female employees

31%

of all manager promotions were awarded to female employees

36%

of all permanent appointments made were female employees

35%

of our agronomists are female

33%

of Costa Board members were female

17%

annual attrition (permanent employees)***

66%

of total voluntary resignations were male employees

85

permanent employees net reduction

** Data for Costa Australia only.

*** In 2023, Costa adopted a program to further optimise our workforce in line with strategic direction.



Diversity and inclusion

Costa is committed to creating and ensuring a safe, diverse work environment in which everyone is treated fairly and with respect. In the past year, Costa has focused on working to prevent and address sexual harassment, utilising the Respect@Work workplace prevention and response framework – to meet our positive obligation to provide a safe, harassment-free workplace.

Costa's Respect@Work project delivered a range of tools and resources in 2023. This included a new and standalone sexual harassment policy, a comprehensive series of communication messages, an internal resource page, the redevelopment of formal and informal incident reporting processes, the establishment of a contact officer network and the development of a thorough risk assessment and management plan. The collection of data was improved through exit interview processes and standardised induction materials were developed incorporating information on the topic. In addition, a training campaign has commenced, and will continue into 2024.

A Diversity and Inclusion reference group was also established, enabling Costa to consult with a range of individuals from across the business on workplace issues concerning diversity and inclusion,

giving them an opportunity to express their views and provide input to allow for better decision-making. Whilst this group will cover diversity and inclusion topics in a broader sense, in the past year they had a key focus on sex-based harassment, sexual harassment and gender equality.

Our remuneration framework continued to be expanded to include China and Morocco and resources were developed for HR representatives to ensure consistency of pay.

Parental leave arrangements were also further expanded upon both for primary and secondary carers (14 weeks and 6 weeks respectively), and a reduction of the eligibility period has been implemented (to align with the six-month probationary period). The Workplace Gender Equality Agency guidance on leading practice for parental leave is 8 weeks for primary carers and 3 weeks for secondary carers.

Compassionate leave arrangements have also been increased in the case of death or stillbirths. Costa's policy now also includes specific entitlements for family and domestic violence leave.

Mernda earns Diversity Award

In 2023, the Mernda mushroom site in Victoria received a Workplace Diversity Award, as part of the Northern Business Achievement Awards (NBAA).

The NBAA Awards are a partnership of industry, education, local and state government decision makers across Melbourne's north. The Awards aim to recognise exceptional businesses in the northern region across six municipalities including Banyule, Darebin, Hume, Moreland, Nillumbik and Whittlesea.

The nomination was made by the City of Whittlesea which recognised Mernda as a key provider of employment and a supporter of the local community. Each year, Mernda employees enjoy a range of activities and events to help celebrate the diverse workforce, in addition to working with local schools supporting students to develop skills in preparation for employment.



Workforce Continued

Profile: Manpreet Sidhu

Manpreet Sidhu is the General Manager of Vertical Farming, leading the business activities and operations of 40 hectares of glasshouse tomato production and three mushroom production facilities. The role forms part of the Executive Leadership Team at Costa.

Manpreet is of Punjabi heritage and was born in Singapore before moving to Australia with her family at the age of four. Raised with a strong work ethic and education central in her upbringing, Manpreet completed a Bachelor of Biomedical Science at Deakin University. Deciding research was not for her, she completed a Master of Commerce majoring in Accounting and Commercial Law, whilst working fulltime.

Early aspirations to work in the commercialisation of science, to help turn research into relevant opportunities with practical applications, were met through an early role in a biotech startup.

Roles in engineering and retail industries followed, to build her financial career path. With food being close to her heart, when an opportunity presented to move into the fresh produce sector in Costa's Mushroom category, the decision to join was an easy one.

After joining Costa as the Finance Manager for Mushrooms in 2014, it wasn't long before new opportunities enabled her to expand her role. She has held senior positions in the Mushroom and Vertical Farming categories, including Financial Controller (Mushroom Category), Head of Finance & Strategy (Mushroom Category) and National Sales and Marketing Manager (Vertical Farming).

In 2022, she was appointed as the General Manager of Vertical Farming.



“Food is close to my heart, and it’s always been an area that I have a passion for. Fresh produce brings nourishment, provides joy and fosters togetherness.”



Culture and engagement

Costa continues to celebrate and support activities that build inclusiveness and diversity. A range of key events were celebrated including International Women's Day, Harmony Week, RUOK? Day, Diwali and Christmas. These events help to engage and bring our people together to recognise and celebrate diversity and build upon Costa's culture of care.

Costa's Engagement Hub continues to provide our salaried employees with the opportunity to recognise peers, and the ability to provide feedback on people's experience at Costa. The Hub includes a tool for employees to send recognition e-cards, emphasising the care that Costa's people show for one another.

With an increased focus on building data to understand culture and engagement, Costa held a number of 'pulse surveys' and an engagement survey in July 2023. This, together with the data from exit interviews, has resulted in an increased level of visibility of what Costa does well and could do better. A set of agreed actions are being implemented as a result.

Modern slavery and ethical sourcing

Costa is committed to respecting human rights across our domestic and global operations. We published our third Modern Slavery Statement in 2023, and are continuing to develop and enhance the processes, policies and actions that we have in place to protect human rights. Our fourth Modern Slavery Statement will be published in the first half of 2024.

The Ethical Sourcing Program, launched in 2019, includes the use of a global 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 identify risk and assess management practices employed by our partner growers. This enables us to work together to identify opportunities for improvement, provide support to mitigate risks and take action where necessary. We ask all our domestic partner grower base to be registered on Sedex and share visibility of their site information including answers on working conditions with Costa during their supply season. We use this information to risk assess employment management practices and identify the salient human rights issues in our produce supply chain and put in place remediation actions. Based on this assessment we also shared best practice guidance with our partner growers on topical areas such as selecting and monitoring third party labour hire contractors.

We have also continued to increase 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 then verified as closed.

Selected Costa owned production sites are also undertaking third-party verification of labour and work safe standards through the use of SMETA conducted by an independent audit company.

In 2023 Costa's Ethical Sourcing Framework was introduced formalising our expectations of ethical sourcing being part of doing business with Costa. The framework is supported by additional information for Costa's partner grower base on remediation when issues are identified and specific guidance on remediation in the case of Modern Slavery identification.

Costa has also put in place a People Assurance Team which collaborates with site teams to develop, review, improve and monitor Costa's labour standards, processes and associated HR policies. They also support teams in preparing for ethical sourcing audits, undertaking a corporate Costa SMETA audit, and are responsible for undertaking audits of direct hire and labour hire engagement processes.

Sustainable Commercial Farming Principles Continued

Workforce Continued

Project Sunrise

Costa's diverse workforce includes a significant number of people who are sourced through the Australian Government's Pacific Australia Labour Mobility scheme (PALM). This cohort is critical to support Costa's harvest periods, during which time significant numbers of farm workers are required.

Through 2023 Costa continued its focus on transitioning to a centralised, direct employment model for the majority of our Pacific Island workforce. This long-term strategy aims to reduce the reliance on third-party labour hire providers and therefore further reduce the risk of unethical sourcing and modern slavery issues, which is already in part mitigated through extensive accreditations and audits. It also helps to ensure the implementation of consistent high standards for welfare and wellbeing across our entire workforce and our community.

In 2023, Pacific Island workers were employed from seven nations, working across three categories (Berries, Tomatoes and Citrus).

As part of our strategy, a Costa Pacific Labour Network was launched, which is led by the central Pacific Labour Team and includes all Seasonal Worker Program (SWP) Welfare and Wellbeing staff and SWP Managers across the Costa business. The purpose of the network is to support the development of staff involved in the PALM, consult on the formulation of national processes and resources to ensure continuous improvement for Costa and our workforce.

A key focus for our teams is also to ensure this cohort is supported as they move into the regional communities in which we operate through pastoral care, and social, volunteering and sporting activities which are actively supported and encouraged. This helps to provide a positive experience for our workers and the communities in which they work and live.

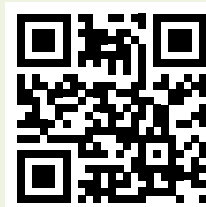


To support operations at our Corindi berry farm, Pacific Island workers have been employed throughout 2023. These employees live in the surrounding local communities and have volunteered their time for a number of activities.

This included a group of Fijians who volunteered their time at a local dog rescue charity in Grafton, where the group is living. In their days off from work, the crew spent time walking the dogs that have been rescued and are awaiting new homes at [Happy Paws Haven Inc.](#)

Volunteers also supported the Emerald Beach Dunecare group and National Parks and Wildlife Service, removing weeds which had been choking out native plants in the regional park north of Emerald Beach. This area has been recently added to the

national park estate and the efforts of this group of volunteers went a long way to getting it back to its natural condition. In November, the Emerald Beach Dunecare group was awarded the Dee Wallace Award for excellence by a Landcare Group, and the work done by these volunteers was a contributing factor.



Scan the QR code to watch our video

In 2023, three new apprentices joined the Costa Tomato operations in Guyra.

Neil Ashman, Andrew Pearson and Marty Ryan, who all come from the Guyra region, started boilermaking apprenticeships, giving them a broad range of skills required in the maintenance of the glasshouse operation.

Neil, Andrew and Marty (pictured with their supervisor), are attending TAFE in Armidale as part of their Certificate III in Engineering and Metal Fabrication.

Providing employment opportunities for people within the Guyra community is critical to our success, and Costa is proud to support these local young people to develop their skills and careers.



Capability and development

In the past year, Costa has had a strong focus on the completion of mandatory training, ensuring a base level of understanding in topics such as Information Security, Conflict of Interest, Modern Slavery, Food Safety and Quality, and Safety. Compliance training is pivotal in Costa managing its risk, complying with regulatory requirements and keeping employees up to date with expectations at Costa.

In addition, supervisors have been a target audience for leadership development at Costa, based on the pivotal role they play in driving safety, quality and productivity. A total of 90 supervisors have now successfully completed their development programs. Development for supervisors is expected to continue into 2024.

Costa's performance and development program continued to be enhanced in its second year, including an expansion of the program from senior leaders to all salaried staff. A total of 130 leaders were trained in holding effective development conversations and additional resources were rolled out to support both employees and leaders with the process. The program will be rolled out to senior leaders in China and Morocco in CY2024.

Capability reviews were held for all divisions across Australia, China and Morocco.

Costa Graduate Program

The 2022-2023 cohort in the Costa Graduate Program completed their 18-month placement program, with the majority moving into permanent roles in the business.

Eve Mallis, who completed rotations with the Berry Category in Corindi and Avocado and Banana Category in FNQ, took up a position as Graduate Horticulturist with berries FNQ. Kimberley Tong, who completed rotations with berries in Tasmania, mushrooms in Monarto, and Costa Farms and Logistics at Derrimut, moved into the role of Technical Officer, mushrooms Monarto.

Brendan Roe, who did his rotations with tomatoes in Guyra, berries Corindi, and bananas and avocados in Childers, accepted an ongoing position as an Agronomist with the avocado team in Childers. Declan Portman, who completed his rotations with the Citrus Category in the Riverland Region, corporate strategy and sustainability in Ravenhall, and mushrooms at Mernda, accepted an ongoing role as Agronomy Support with mushrooms Mernda.

Recruitment for the 2024-2025 program was finalised at the end of 2023, with four new graduates accepted into the program. Of these, three will be completing an 18-month rotational experience and one will be offered a specialised and/or location specific graduate program experience.

These graduates were selected from a large group of high calibre applications for the program. Another six positions are in the process of being filled.

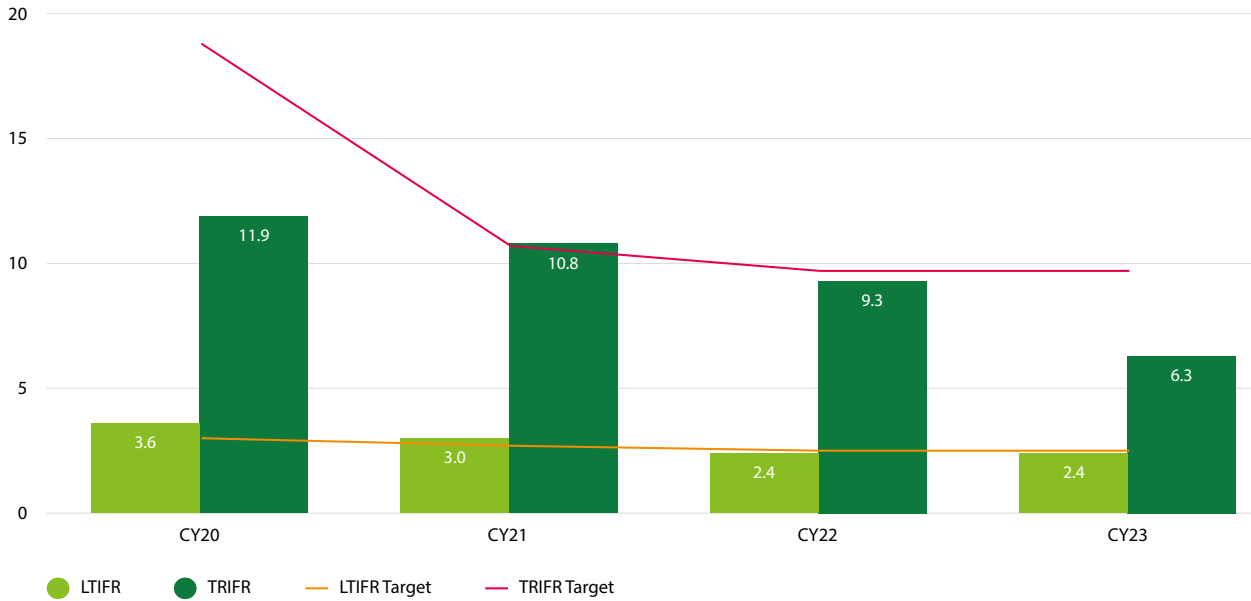
Louise Wheatley, recipient of the Costa Berries Scholarship for Horticulture in 2023, was one of the graduates accepted into the 2024 program.

Sustainable Commercial Farming Principles Continued

Workforce Continued

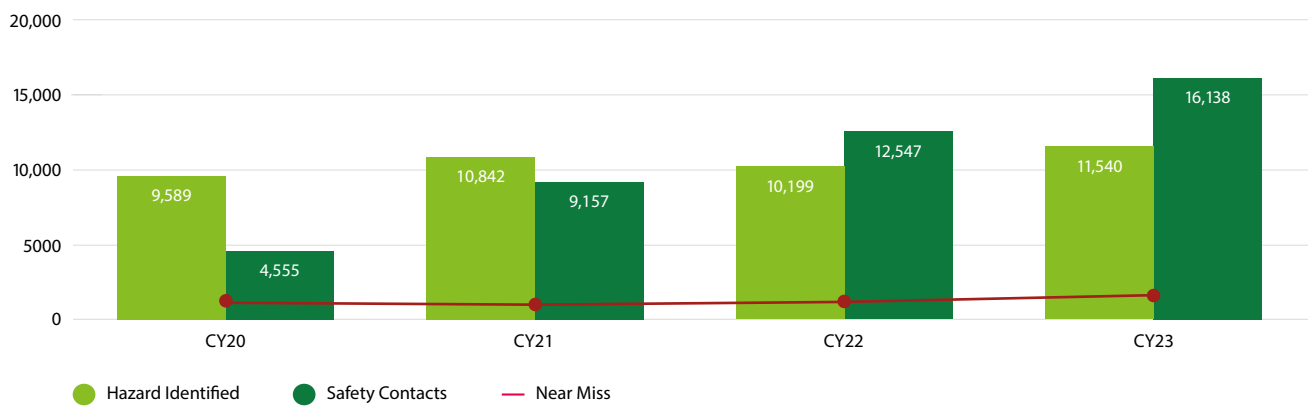
Health and safety

Costa Group WHS lagging indicators



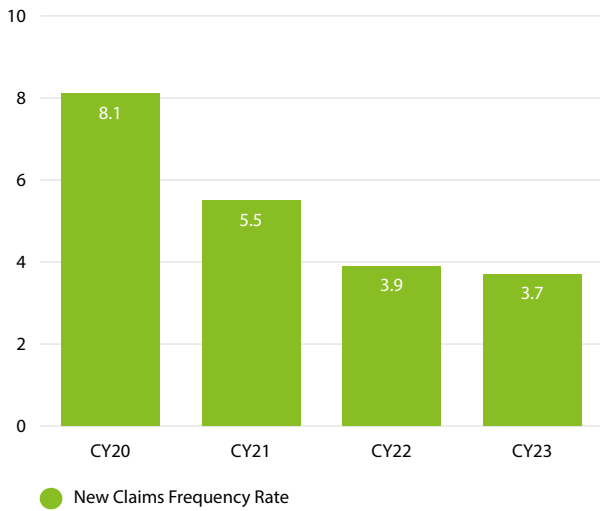
LTIFR – Lost Time Injury Frequency Rate: the number of lost time injuries occurring in a workplace per million hours worked.
 TRIFR – Total Recordable Injury Frequency Rate: the number of injuries requiring medical treatment per million hours worked.
 In CY2023, there was a 32% decrease in the number of recordable injuries sustained across the Group from CY2022.

Costa Group WHS leading indicators



Our focus on proactive safety reporting across the Costa Group continued in CY2023, resulting in a 39% increase in near misses reported. We also had a large focus on addressing/closing out these hazards. Having a high leading indicator reporting culture translates into better lagging indicators in which we saw a 32% drop in CY23.

New Claims Frequency Rate



New Claims Frequency Rate shows the number of workers' compensation claims raised per million hours worked. The total number of workers' compensation claims in 2023 fell by 6% on 2022, due to continued improvements in injury management practices and focus on risk reduction. The frequency rate is a rolling 12-month calculation, calculated at December 2023 representing that year's performance.

Bridging the safety gap

Our High-Potential Incident (HPI) program which was implemented in 2022 continues to run across the Group and was rolled out to China and Morocco in 2022-2023.

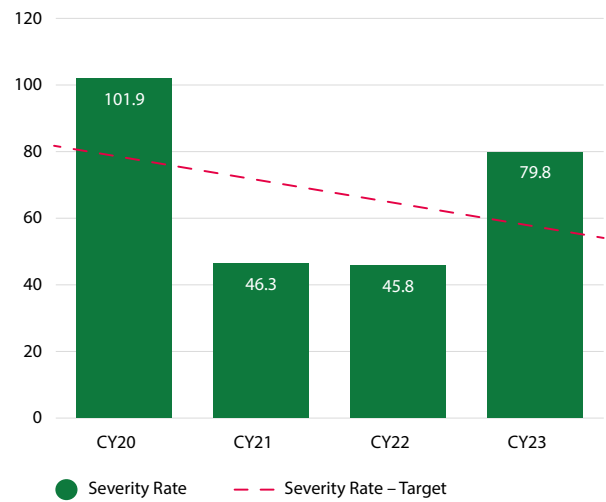
The HPI program targets incidents or near misses that have potential to cause a fatality or catastrophic injury. This method seeks to ensure that both human and physical resources are proportionately applied across the landscape of safety risks.

The focus on hazard management, rather than on hazard identification, means we are prioritising high or significant rated hazards or incidents for rectification, ensuring investigations and safety management system changes are proportionate to the risk potential.

As part of our focus on ensuring our safety systems are aligned across our Australian and international operations, our safety team in China visited the Australian operations in October 2023 to gain a broader understanding of safety practices, processes and ways of working at Costa. These valuable insights will assist in further developing, aligning and implementing the safety process in our international operations.

The team, consisting of Chenhui Mu (China Operations Manager) and Finn Zhu (WHS Manager), visited the berry farm in Corindi berries, Mernda mushrooms and the Docklands support centre.

Severity Rate



The severity rate is the sum of each month's figures for the year and reflects the number of lost days per million hours worked. In late CY22 we had a fatality in China. From the date of the fatality, we have recorded a lost day for each of the following 365 days, leading to the increase compared to 2022.

Technology targets forklift safety

With a continued focus on high-risk areas such as mobile equipment, new technology has been introduced on all new forklifts in operation across the business.

The technology includes pin or swipe access ensuring only authorised and trained drivers can access the forklift, impact sensors, pre-start checks, performance monitoring, licence management and pedestrian sensors.

A forklift training provider has also been appointed to roll out refresher training to all sites in 2024.

Sustainable Commercial Farming Principles Continued

Workforce Continued

Psychological health and safety

As part of Costa's commitment to ensuring we provide a safe, healthy and supportive workplace, we ran a survey in 2023 to identify factors that may cause harm to our employee's psychological health and safety.

The Australian psychosocial risk assessment survey, People at Work, was distributed to all employees, with the results providing insight into where we could make improvements and some areas where we are already doing well.

The areas of strength identified in the survey related to job demands and job resources.

Job demands included factors such as group relationship conflict, group task conflict, role ambiguity, role conflict and role overload. These factors were all rated as low, contributing to the Costa workplace achieving best practice in this part of the survey.

Areas which were highlighted for some improvement included emotional demands, change consultation and job control. As a result of the survey, training modules are being developed for 2024. This was in addition to resources developed relating to sexual harassment, highlighted on page 25 of this report.

Harvest assist platform

A new trial of an automated harvest assist platform was conducted during the 2023 citrus harvest in the Riverland region.

The harvest assist platform is aimed at improving picker safety, increasing productivity, and improving fruit quality. This is the first time the technology has been trialled in citrus operations in Australia.

The automated platforms remove the need for pickers to climb ladders and waste time commuting back and forth to the bin, improving the picking experience, and importantly reducing the risk of injury.

In the apple industry, the use of platforms has opened up harvest work to people who otherwise would not have been able to cope with the physical demands of fruit picking because they are not climbing ladders and walking considerable distances across the day.

The self-driving platforms can also be used for other tasks including hand thinning and pruning of trees

Two automated platforms were trialled over the season in the Riverland region. A different automated harvest platform was also trialled in the substrate avocado blocks. Work will continue in 2024 to finetune the platform technology to maximise the user experience and safety.

Safety message

As part of Costa's National Safe Work month activities in 2023, rugby league legend and safety ambassador Shane Webcke visited Costa farms in Queensland, New South Wales and Tasmania to share his story on farm safety.

Shane Webcke is a farmer, family man, businessman, author, news presenter, safety ambassador, speaker and former professional footballer. At the peak of his rugby league career he was renowned as one of the best front rowers in the world.

Tragically Shane's father was killed in a Queensland workplace incident in 1994. Shane was only 18. Shane's direct experience with the horrific outcome of his father's workplace fatality has led him to his role as a safety ambassador.

Shane's passion for farming and safety along with his high energy delivery style provided a message that connected with our entire team. The program will continue in 2024.





Community

Costa continues to support a wide range of community organisations across the multiple regions in which we operate, both in Australia and internationally in China and Morocco. We are actively involved in supporting the social fabric of these communities, through sponsorships, in-kind and volunteering contributions, and donations of fresh produce.

In 2023, our Guyra tomato team initiated a Well Grown Community Grants program to provide funding for community and sporting organisations in the Armidale/Guyra region. A total of 19 organisations received funding of between \$500 and \$3,000 each. A full list of successful 2023 applications is available on our website. A new round of funding will be offered in 2024.

The Costa berries team in China participated in the Walk for Schools event again in 2023. The team walked a total of 6,341,925 steps and raised RMB 50,000, which is donated to support students' education pathways in local schools in Yunnan Province.

In Far North Queensland, the Costa berries team again participated in the Great Wheelbarrow Race, an annual community fundraising event in which teams push a wheelbarrow 140km from Mareeba to Chillagoe. The team raised just under \$9,000 for the Moyamoya Foundation.

Costa also supported the Woolies Wheels and Walks annual event.

Sporting clubs

Costa continues to invest in local sporting organisations, which play a critical role in the social and cultural fabric of many of our regions. This included support for, among others, Mernda Netball and Football clubs, the Riverland Football Club, Otufelenite Rugby Club, ISIS Rugby League, New South Wales North Coast Open Squash, Armidale Blues Netball Club, Guyra United Soccer Club, Guyra Cycling Community, Devonport Junior Soccer and Devonport Touch Football Club, and Kiwana Knights.

In 2023 Costa was a major sponsor of the Woolgoolga Surf Life Saving Club, the Corindi-Red Rock Surf Lifesaving Club and the Port Sorrell Surf Life Saving Club. Costa also made a \$15,000 contribution towards the Wiigulga Sports Complex, which was opened in December 2022.

The Costa berries team in China participated in the Walk for Schools event again in 2023. The team walked a total of 6,341,925 steps.



Antonio recognised for community contribution

Antonio Liparota is a field representative for the Costa Citrus and Grape Category and is also the deputy captain of the local fire brigade.

Antonio received a well deserved Australia Day Award from the Balranald Shire Council, which includes the Costa Euston farm, in January 2023.

The award was in recognition of his efforts to assist the community during major flooding along the Murray River. Antonio assisted in organising crews of volunteers to fill and supply sand bags, and also provided assistance and support to many of the older residents in the community.

RMB 50,000

was raised, which is donated to support students' education pathways in local schools in Yunnan Province.

Sustainable Commercial Farming Principles Continued

Community Continued

University scholarships

Costa continues to provide funding for a range of university scholarships to assist people in regional locations who want to pursue a university qualification, particularly in agriculture and horticulture.

In 2023, the following scholarships were offered:

University of Tasmania	Costa Scholarship in Agricultural Science	\$10,000 per annum up to four years
University of New England	Costa Berry Category Scholarship in Horticulture	\$5,000 per annum for two years
University of Queensland	Costa Berries Scholarship in Horticultural Science	\$5,000 per annum up to three years
Charles Sturt University	Costa Avocado Scholarship	\$5,000 per annum for three years
Western Sydney University	Costa Group Scholarship for Emerging Leaders in Protected Cropping	\$5,000 for one year

Promoting careers in agriculture

Showcasing careers and pathways in the agriculture sector remains a key focus across all categories. Throughout 2023, Costa participated in various career events and hosted farm tours to showcase the variety of career opportunities available.

The team at the New England Highway tomato glasshouses hosted a school visit in June, with around 90 students and teachers from Armidale City Public School visiting the site in two separate sessions.

In Tasmania, the team hosted Year 9 science students from [Reece High School](#) as part of the [Devonport Community House](#) 'Grow for Good' program funded in partnership by the Tasmanian Community Fund, DCH and Reece High. The students toured the Costa East Devonport Strawberry farm, learning about research trials into new varieties and the general production cycle of strawberries in Tasmania.

A group of students keen to pursue a career in agriculture toured the Costa 2PH farm in Emerald, Central Queensland, as part of the second annual LEADAg initiative. LEADAg stands for leading, educating and developing the next generation of the agricultural workforce and delivers hands-on, practical training supported by industry mentors to provide work ready skills. It has been developed and hosted by Central Queensland community-based organisation CHRRUP.

The Mernda mushroom human resources team and members of the leadership team represented Costa at the Whittlesea Careers Expo. More than 850 senior secondary students from local schools were invited to speak with experts in their field to gain a deeper understanding of the career paths available in a wide range of areas. Students who visited the Costa stand were fascinated with the growing process.

850+ senior secondary students

from local schools were invited to speak with experts in their field to gain a deeper understanding of the career paths available in a wide range of areas. Students who visited the Costa stand were fascinated with the growing process.



Health and wellbeing

Fresh produce donations

Costa remains a long-term partner of Foodbank Australia, a leading food and grocery relief organisation. According to the Foodbank Hunger Report 2023, 3.7 million households in Australia struggled to put food on the table and 383,000 more households struggled to put food on the table this year, than in 2022.

In 2023, Costa donated more than 319,000 kgs of fruit and vegetables, the equivalent of more than 575,000 meals. Costa donated 94,915 kgs of citrus; 83,072 kgs bananas; 59,797 kgs of avocados; 61,354 kgs of mushrooms; 15,558 kgs of grapes; 4,649 kgs of tomatoes and 235 kgs of mixed fruit.

Costa staff also supported Foodbank, with a group of staff from our Western Australian farms volunteering at the Foodbank warehouse, where they put together 597 care bags. In addition to supporting Foodbank, Costa also donates produce to other charitable organisations including Secondbite, Fareshare and Fruit Box.

Costa also provides a range of fresh produce donations direct to community organisations and local schools in many of the regions in which we operate, ranging from Meals on Wheels in Armidale to the Andrews Creek Primary School in Tasmania.



319,000 kgs

of fruit and vegetables were donated by Costa to Foodbank Australia in 2023, the equivalent of more than 575,000 meals.

Stephanie Alexander Kitchen Garden Program

Costa mushrooms and tomatoes teamed up with Coles for the third year in a row to support the Stephanie Alexander Kitchen Foundation. Throughout February, Coles donated 5 cents from every punnet of Costa grown Perino red or gold tomatoes to the Foundation to the value of \$100,000. Costa also partnered with Coles on a mushroom promotion in May, donating 20 cents per pack for a total contribution of an additional \$100,000.

The Foundation supports communities and educators across Australia to deliver pleasurable food education and kitchen garden programs for children and young people.

Collaborative model transforms eating habits

Costa's berry team in Tasmania supported the provision of an Engagement Worker for the TasTAFE Connect to Work course during 2023. Through the course, TasTAFE students prepare and cook hot lunches for children at the East Devonport Primary School.

This collaborative model, involving TasTAFE, East Devonport Primary School, Child and Family Learning Centre, Loaves and Fishes and School Matters Program, has helped to transform eating habits and improve attendance, while also helping parents by easing the financial burden of providing regular nutritious meals.



Stakeholder Group Engagement

Costa has a comprehensive approach to stakeholder engagement. There is ongoing, two-way stakeholder dialogue across a variety of channels. These interactions provide valuable opportunities for Costa to explain the company's strategy and performance and to listen and better understand our stakeholders' priorities and what they want to know about Costa.

Data Assurance

The accuracy of this report is important to our stakeholders and to Costa. Senior management and relevant functional specialists have reviewed all information in this report and believe it to be an accurate representation of our sustainability performance over the past year. We will continue to improve our processes and systems to enhance the precision of our sustainability data.

The water usage data is derived from water meters and the Australian greenhouse gas emissions and energy consumption data was compiled by an independent third party.

Costa reports, policies and statements are available at: costagroup.com.au/about-us/corporate-reports.

- Anti-Bribery and Anti-Corruption Policy
- Code of Conduct
- Diversity and Inclusion Policy
- Environmental Policy
- Human Rights Policy
- Modern Slavery Statement
- Privacy Policy
- Sexual Harassment Policy
- Supplier Code of Conduct
- Whistleblower Policy
- Workplace Gender Equality Report

Useful Links

Company website
costagroup.com.au

LinkedIn
au.linkedin.com/company/costa

Facebook
facebook.com/CostaGroupHoldings

Appendix 1 – Climate-related risks and opportunities

Opportunities

Time horizon	Risks and opportunities	Risk/opportunity description	Impact	Costa's response
Short term	Markets	Market dynamics are impacted by an increased frequency and severity of extreme weather events such as hailstorms, cyclones, floods, bushfires causing damage to assets and infrastructure.	<ul style="list-style-type: none"> • Material price increases when supply is reduced/ constrained • Investment moves away from the sector and capital availability is constrained, thus reducing price pressure from any oversupply • Heightened regulatory focus on food security 	<ul style="list-style-type: none"> • Geographic diversification of crop-types, both within Australia and Internationally • Continuing to invest in protected cropping to make the Costa portfolio more resilient to extreme weather
Short to medium term	Resource efficiency	Proactively work to reduce scope 1 and 2 greenhouse gas emissions towards carbon neutrality and increase energy efficiency.	<ul style="list-style-type: none"> • Costa becomes a more attractive supply partner • Early adoption of certain technologies unlocks competitive advantage 	<ul style="list-style-type: none"> • Identify key areas of the business to transition to renewable energy sources, including the electrification of mobile fleet assets and greater use of solar energy • Continue to identify land management practices that allow for carbon sequestration opportunities
Short to medium term	Markets; Products/Services	Understand the changing opportunities to derive additional value from natural assets and proactively work with public and private institutions to fully leverage Costa's existing natural asset portfolio.	<ul style="list-style-type: none"> • Potential alternative revenue streams • Improve returns through the adoption of new techniques to capitalise on or utilise natural assets 	<ul style="list-style-type: none"> • Continue to monitor the landscape and partner with subject matter experts on emerging opportunities and technologies • Continue to look for opportunities to circularise organic waste (either internally or with strategic partners) • Start to utilise the concepts outlined in TNFD to identify dependency on natural assets
Medium term	Resource efficiency	A shift towards reuse and recycling reduces our operating costs and enables better access to goods/materials.	<ul style="list-style-type: none"> • Reduced operating costs • Increase brand value proposition and consumer attractiveness 	<ul style="list-style-type: none"> • Member of APCO Sustainable Packaging from 2022 • Measure our major waste and packaging streams and establish a waste reduction target and continue to find ways to reduce our footprint • Continue to explore reuses for organic waste within Costa's categories or with third parties • Continue to explore reuses for other farm wastes

Appendix 1 – Climate-related risks and opportunities

Continued

Opportunities Continued

Time horizon	Risks and opportunities	Risk/opportunity description	Impact	Costa's response
Medium to long term	Resilience; Products/Services	Development of more resilient crop varieties through varietal improvement and selection programs.	<ul style="list-style-type: none"> Maintain and/or improve the taste profile and aesthetic of our products relative to competitors to generate increased sales revenue Increase market opportunities for licensing revenue 	<ul style="list-style-type: none"> Continue to invest in our world-leading blueberry varietal improvement program Continue to explore proprietary breeding programs and gain rights to commercialise leading varieties Continue to explore and invest in varietal development and selection programs across other produce categories Adapt current agronomic practices Continue to work to improve crop yield forecasting practices
Medium to long term	Markets; Products/Services	Consumer preferences for low environmental impact food increases the consumption of fresh produce and meat-alternative products.	<ul style="list-style-type: none"> Increased share-of-plate towards fresh food types increasing market demand for fresh produce Increased demand for meat-alternative ingredients sourced from fresh produce (e.g. mushrooms) 	<ul style="list-style-type: none"> Continue to actively explore alternative sales channels and activate via marketing, both within Australia and internationally Continue to explore and invest in varietal development and selection programs

Risks

Time horizon	Risks and opportunities	Risk/opportunity description	Impact	Costa's response
Short to medium term	Physical	Increased frequency and severity of extreme weather events such as hailstorms, cyclones, floods, bushfires.	<ul style="list-style-type: none"> Increased safety risk to personnel at our sites Reduced site capacity and decreased revenue Pollination availability decreases Pest and disease pressures change/increase Damage to third-party grower or supplier assets, or port infrastructure would limit our ability to source key inputs Major site capacity reductions could result in job losses, impacting community sentiment 	<ul style="list-style-type: none"> Geographic diversification of crop-types Continuing to invest in protected cropping Continue to strengthen workplace health and safety programs, incorporating disaster response strategies Ongoing reassessment of Integrated Pest Management strategies Utilising our Costa Care program to continue working proactively with local communities on a broad range of issues including climate change adaptation and resilience
Short to medium term	Physical	Increased water stress impacts Costa's ability to source sufficient good quality water to produce the same quality outputs.	<ul style="list-style-type: none"> Poor crop yields and reduce financial returns Changes to existing water licensing structures either increases water prices or reduces water supply Significant changes in the price of available, quality water 	<ul style="list-style-type: none"> Strong oversight and governance of water security – continue to monitor the Group's position on water security and water use efficiency and invest as needed Continuous review of irrigation management to improve water use efficiency through the implementation of new practices and techniques Continue to explore and invest in water efficiency technology, such as precision monitoring Geographic diversification of crop-types
Short to medium term	Transition	Changing regulatory landscape and the implementation of climate-impact mandates or regulations on existing products, introduction of climate-related trade barriers, carbon pricing mechanisms, or soil management and/or biodiversity regulations.	<ul style="list-style-type: none"> Increased cost of access, reduced access to or loss of access to key export markets Increased cost of electricity, water and other inputs, such as transportation and fertilisers Major changes to overall competitive landscape depending on the maturity of competitors 	<ul style="list-style-type: none"> Continue to work towards fully aligning our disclosures with the TCFD recommendations Proactively work to reduce carbon emissions Proactively work to reduce plastic and organic waste generated by our operations Explore and invest in low environmental impact supply inputs (e.g. green fertilisers)

Appendix 1 – Climate-related risks and opportunities

Continued

Risks Continued

Time horizon	Risks and opportunities	Risk/opportunity description	Impact	Costa's response
Medium to long term	Physical	Increase in average temperature and the frequency of extreme heat days.	<ul style="list-style-type: none"> • Reduced yields and returns • Reduced attractiveness to key export markets due to changing profile of our product • Reduced worker productivity • Increase in harvest peaks and troughs and possible flow-on impacts to market supply dynamics and pricing • Increased and/or changing pest pressure • Increase in heat-related workforce illness and injuries • Disruption to operations • Increased operating costs • Collapses of natural ecosystems on which we rely • Potential site abandonment 	<ul style="list-style-type: none"> • Maintenance of a portfolio of geographically diverse farming locations • Continuing to invest in protected cropping and protection structures (ventilation, climate control, etc.) • Proactively assess land-use practices, such as the use of cover crops to reduce heat effect, to reduce impacts to soil and crop health • Continue to adapt harvest and postharvest practices and technologies to nurture product quality • Proactively reduce carbon emissions and increase energy efficiency • Continue to invest in varietal selection and improvement programs, and explore proprietary breeding programs • Continue to build Integrated Pest Management strategies • Adapt workplace health and safety programs to emerging risks • Continue to invest in mechanised production systems and harvest assist technology • Rigorous new site assessment process including long-range climate hazards assessment under various climate scenarios

Appendix 2 – Mandatory Australian sustainability reporting roadmap

Costa is preparing for new mandatory sustainability reporting requirements. The below table provides a summary of Costa’s progress in preparing for the key disclosure areas.

Topic	Disclosure objective	Costa’s progress
Governance	Enable users to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee climate-related risks and opportunities.	<p>Refer to ‘Governance’ section of this report.</p> <p>Governance body mechanisms have been established to oversee climate-related risk and opportunities.</p> <p>Executive and senior management mechanisms have also been established but will be refined as material topics are more well-defined and additional metrics and targets established.</p>
Strategy	Enable users to understand an entity’s strategy for managing climate-related risks and opportunities.	<p>Refer to ‘Strategy’ section of this report.</p> <p>Key risks and opportunities have been described and included within this report. Additional work to be undertaken to establish robust quantification methodologies in order to appropriately disclose effects on financial position, financial performance and cash flows for reporting periods and anticipated effects on the Group’s outlook, business model and value chain. Disclosures on planned responses and progress against these plans is also being formulated as the Group’s ESG strategies are being refined.</p>
Risk Management	<p>Enable users:</p> <p>a) to understand an entity’s processes to identify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity’s overall risk management process; and</p> <p>b) to assess the entity’s overall risk profile and its overall risk management process.</p>	<p>Refer to ‘Risk Management’ section of this report.</p> <p>Risk management processes have been described in this report, however additional elements need to be incorporated into existing processes to aid completeness of identification of material impacts and opportunities.</p> <p>In engagement with Risk Owners for the Group’s enterprise risks, continue to work on solidifying monitoring mechanisms and quantitative mechanisms to assess likelihood and consequence of climate-related risks. Additionally seek to apply the RCPs scenarios into relevant risk assessments.</p>
Metrics and Targets	Enable users to understand an entity’s performance in relation to its climate-related risks and opportunities, including progress towards any targets the entity has set, and any targets it is required to meet by law or regulation.	<p>Refer to ‘Metrics and Targets’ section of this report.</p> <p>Metrics for some key climate-related risks and opportunities are disclosed within this report. Costa will work to disclose additional metrics utilised across the business to manage climate change related risks and opportunities as these are further refined. An example of this is working to quantify scope 3 carbon emissions and disclosing these values and calculation methodologies.</p> <p>As targets for material items are developed, Costa will also disclose progress towards these.</p> <p>Additionally, any validation or assurance obtained from a third party over the accuracy of quantitative disclosures will be included in future reporting.</p>

