

Costa Group Holdings Ltd ACN 151 363 129

Anti-Bribery and Anti-Corruption Policy

1 Introduction and purpose

Costa is committed to conducting business with high ethical standards and in full compliance with the law, including all applicable anti-bribery and anti-corruption laws in all countries in which Costa operates. This policy supports and supplements Costa's Code of Conduct and is designed to promote and reinforce Costa's culture of and commitment to lawful and ethical behaviour.

Bribery and corruption are morally wrong and illegal and could seriously damage Costa's reputation. They also expose both Costa and its personnel to fines and other penalties including imprisonment.

The purpose of this policy is to:

- (a) set out the responsibilities of Costa group companies and Costa personnel in observing and upholding the prohibition on Bribery and related improper conduct; and
- (b) provide information and guidance on how to recognise and deal with instances of Bribery and Corruption.

2 Who does this policy apply to?

This policy applies to all businesses in the Costa group, including those operated outside Australia. It applies to all Costa personnel, including directors, permanent and temporary staff and contractors, together with all third parties acting on Costa's behalf or representing Costa's interests (such as agents and consultants).

Joint ventures controlled by Costa must comply with this policy. Where Costa is involved in a joint venture that it does not control, Costa must use its influence to assist the joint venture to act in a manner consistent with this policy.

To the extent that laws and regulations in any countries are more rigorous or restrictive than this policy, those laws and regulations should be followed by any Costa business operating in that country. Costa may, from time to time, provide country-specific directions for businesses operating in countries outside of Australia.

3 Policy

3.1 Prohibition on Bribery and Corruption

Costa personnel must:

- (a) understand and comply with this policy;
- (b) not engage in, or tolerate, Bribery or other forms of Corruption;
- (c) not make, or authorise anyone to make, Facilitation Payments;
- (d) not approve any offers, or make, accept or request an irregular payment or other thing of value, to win business or influence a business decision in favour of any Costa group company;
- (e) not offer or accept gifts or entertainment where to do so might unduly influence, or be perceived to unduly influence, objective business judgement;
- (f) not provide any gifts to, or receive them from, Government Officials (except that, with the prior approval of Costa's General Counsel, rare exceptions may be

permitted where a gift is an important local/cultural custom, and any such gift is permitted under applicable law and is of nominal value);

- (g) maintain accurate records of dealings with third parties; be vigilant and report any breaches of, or suspicious behaviour related to, this policy; and
- (h) not threaten or retaliate against any Costa personnel who have refused to engage in conduct inconsistent with this Policy, or who have raised concerns under this Policy.

3.2 Definitions

For the purposes of this Policy:

- (a) **Bribery** is the offering, promising, giving, accepting or soliciting of a reward or advantage as an inducement for an action which is illegal, unethical or a breach of trust. Bribery usually involves a benefit to both the person making the offer and the person receiving the offer.

Bribery can take many forms and the benefit that is offered, given or accepted may be monetary (eg. donations, financial rewards, kickbacks or non-commercial loans) or non-monetary (eg. reciprocal favours, business or employment opportunities or lavish corporate hospitality).

Offers designed to exert improper influence can constitute Bribery irrespective of whether the target is employed in the public or private sector, though dealings with Government Officials always require close scrutiny.

- (b) **Corruption** is the misuse or abuse of entrusted power or private or public office for personal gain, including the use of information obtained in an employment or official capacity for personal gain.
- (c) **Facilitation Payments** means unofficial payments (usually of nominal amounts) in order to secure or speed up the performance of a Government Official's routine duties or actions.
- (d) **Government Official** means anyone (regardless of seniority or title) who is:
 - (i) a public official, whether elected or appointed and whether foreign or domestic;
 - (ii) a political candidate or party official or a member of any administrative or judicial body;
 - (iii) an employee or other representative of a government-owned or government-controlled entity, including state-owned entities that operate in the commercial sector;
 - (iv) an employee, officer or other representative of a public international organisation (eg. World Bank or United Nations); or
 - (v) otherwise acting in an official capacity for a government, government agency, or state-owned enterprise.

4 Risk assessment and prevention

4.1 Assessment

All Costa personnel have a responsibility to help detect and prevent instances of Bribery and Corruption, together with any other suspicious activity or wrongdoing in connection with Costa's business. Costa personnel must continually assess the vulnerability of their business activities to risks of Bribery and Corruption. Where Bribery or Corruption risks are identified, they should be managed in line with Costa's established risk management framework.

Costa personnel should be wary of 'unusual' practices or requests. While unexpected fees or payment methods will not necessarily indicate Corruption, they should always be scrutinised to identify their nature and purpose.

4.2 Record keeping

Costa must keep accurate and complete business records of all business transactions. No accounts may be kept "off the books" to facilitate or conceal improper payments.

Records of business transactions must be maintained:

- (a) in accordance with Costa's accounting and finance policies;
- (b) in accordance with generally accepted accounting principles and practices; and
- (c) in a manner that reasonably reflects the underlying transactions and events.

All expenditure by Costa personnel, including on gifts, entertainment and hospitality, must be included in expense reports and approved in accordance with the relevant expense policy.

4.3 Risk monitoring and control

Management must take the necessary steps to maintain an effective system of internal control and monitoring to prevent Bribery and Corruption. This must include education and training of employees.

Each General Manager (and other management as required by Costa's Audit and Risk Committee) must provide a sign off to Costa's Chief Financial Officer as part of the annual management representation process that:

- (a) the business for which they are responsible has assessed the vulnerability of its operations to risks of Bribery and Corruption;
- (b) appropriate controls and monitoring have been implemented within that business to prevent Bribery and Corruption; and
- (c) to the best of their knowledge, there have not been any instances of Bribery or Corruption within that business that have not been reported in accordance with this policy.

5 Key risk areas

5.1 Gifts, entertainment and hospitality

Costa recognises that offering or accepting gifts, entertainment or hospitality of moderate value is often customary and acceptable when done for legitimate purposes such as general relationship building. The practice of giving business gifts or offering hospitality varies between countries and regions and what may be normal and acceptable in one region may not be in another.

When considering whether gifts, entertainment or hospitality may be offered or accepted, Costa personnel must:

- (a) consider whether in all the circumstances it is reasonable, proportionate and justifiable;
- (b) ensure that it complies with local laws;
- (c) ensure that it does not contravene the other party's policies or the rules of any tender or competitive bidding process; and
- (d) consider the intention behind the offer.

Gifts, entertainment or hospitality should not be accepted or given for the purpose of influencing a person corruptly or improperly in the exercise of their duty, or if the nature or

value of the gift or hospitality would result in a perception of such influence. Any gifts with a value in excess of A\$250 received by Costa personnel must be recorded in Costa's gifts register, a copy of which will be provided to Costa's Audit and Risk Committee on a regular basis.

All Costa personnel are prohibited from accepting any cash or cash equivalent gifts.

5.2 Political donations

All dealings with Government Officials which relate to Costa and its business activities must be conducted at arm's length and with the utmost professionalism. Costa does not seek to curtail an individual's freedom to make political contributions in their personal capacity, but neither Costa nor Costa personnel may make any direct or indirect contribution to any political party, organisation or individual engaged in politics as a way of obtaining an improper advantage for Costa's business.

Costa personnel must not make any political contributions to candidates for any political office outside Australia on behalf of Costa.

All political donations made by or on behalf of Costa:

- (a) must be made and disclosed in accordance with applicable local laws and regulations;
- (b) must be recorded in Costa's donations register, a copy of which will be provided to Costa's Audit and Risk Committee on a regular basis; and
- (c) must have prior approval from Costa's CEO (and prior approval from Costa's Board in the case of donations in excess of A\$10,000).

5.3 Charitable donations

Costa makes occasional charitable donations that are ethical, transparent and legal. In some countries, charities can be used as a screen for illegal or unethical activities, so all charitable donations made on Costa's behalf outside Australia may only be made to charities that have been previously approved by Costa's CEO. All charitable donations made on Costa's behalf within Australia must have prior approval in accordance with Costa's delegations of authority.

5.4 Third party representatives

Where a third party conducts business activities, or deals with Government Officials, on Costa's behalf the result of their actions can be seen as benefiting Costa and Costa can be liable for their actions.

As part of their risk assessment responsibilities, Costa management are expected to evaluate the integrity and background of such third parties, critically assess the need for engaging such third parties, and ensure that the third parties comply with this policy.

6 Reporting concerns

Costa is committed to ensuring that all Costa personnel have a safe, reliable, and confidential way of reporting any suspicious activity.

Any Costa personnel or stakeholder who believes that a violation of this policy or any laws has been committed, is being committed, or is being planned, should use the procedure set out in Costa's Whistleblower Policy. A copy of the Whistleblower Policy can be found on the Costa website or obtained from Costa's General Counsel.

Costa is committed to ensuring no one suffers detrimental treatment as a result of refusing to take part in conduct that may constitute Bribery or Corruption or raises a genuine concern in respect of any such conduct.

7 Review of this Policy

Costa's General Counsel and the Audit and Risk Committee will monitor and review the effectiveness of this policy annually.

8 Amendment

This policy can only be amended with the approval of Costa's Audit and Risk Committee.

This version of the policy was approved on 24 August 2016.