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Costa is Australia’s leading grower, packer and marketer of premium quality fresh fruit and vegetables.



Front cover – Tomato glasshouse, Guyra, New South Wales.







# Sustainable reporting



At Costa we call  
that our Sustainable  
Commercial Farming  
objective.



Since becoming a public company in July 2015, Costa has been committed to building on our sustainability practices and hence reporting.

Our firm belief is that 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 portfolio consists solely of fresh healthy produce. How these products are produced is the actual focus of our commitment.

Our challenge is to balance commercial fresh produce production with environmental responsibility and affordability with quality, in order that healthy and nutritious food is available to everyone for generations to come. At Costa we call that our Sustainable Commercial Farming objective.

In the recent past we have made some progress towards the goals we are outlining today but Costa now makes a firm, long standing and formal commitment to make Sustainable Commercial Farming a central element of our business model and our practices.

This is to ensure we not only work for the long term to progressively improve the yield and quality of our products through innovative agronomic practices and strategic investment, but we also accept our responsibility for the environment by focusing on issues including addressing the impacts of water security, climate change and waste.

Our Sustainable Commercial Farming strategy is intrinsic to the operation and future success of Costa. It relies on and requires a genuine commitment from everyone in our business.

**Specifically what this means is that our concerted efforts will be directed to achieving greater yield and quality outcomes for each hectare farmed using fewer inputs for production with a reduced environmental impact.**

In order to realise our Overarching Objective, we have established three Pillars – Environment, Economic and People which are underpinned by 10 Sustainable Commercial Farming Principles.

The Pillars are interconnected reflecting their equal importance to successfully realising our strategy. The Principles which underpin the Pillars 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.

Our Sustainable Commercial Farming strategy is intrinsic to the operation and future success of Costa. It relies on and requires a genuine commitment from everyone in our business. As a sign of our intent, we have established within the business an Agronomy Group chaired by myself and comprised of key horticulturalists from each of our core produce categories. This group will play a key role in overseeing the Sustainable Commercial Farming strategy, with a particular focus on agronomic skills, practice and knowledge.

This is an exciting new chapter for the Costa business and it is a commitment we are serious about. On behalf of the Costa team, we look forward to reporting on our Sustainable Commercial Farming progress in the months and years ahead.



**Harry Debney**  
Managing Director & CEO  
Costa Group

Costa is Australia's leading grower, packer and marketer of fresh fruit and vegetables and operates principally in five core categories: berries, mushrooms, glasshouse tomatoes, citrus and avocados. Operations include approximately 4,500 planted hectares of farmland, 30 hectares of glasshouse facilities and seven mushroom growing facilities across Australia. Costa also has strategic foreign interests, with majority owned joint ventures covering six blueberry farms in Morocco and three berry farms in China.





# Environmental responsibility



Our challenge is  
balancing commercial fresh  
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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.

## Sustainable commercial farming overarching objective

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 overarching objective is stated as follows:

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 accept our responsibility for the environment and communities within which we farm and grow our crops whilst recognising 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.

## Sustainable commercial farming pillars and principles

In order to realise our Overarching Objective, we have established three Sustainable Commercial Farming Pillars of Environment, Economic and People which are underpinned by 10 Sustainable Commercial Farming Principles.

The Pillars are interconnected reflecting their equal importance to successfully realising our strategy. The Principles which underpin the Pillars 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.

### Environment

#### 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, finding new technological solutions and exploring 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

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 used, these will be closely monitored to measure ongoing effectiveness and to ensure compliance with maximum residue limits.

### Economic

#### 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.

#### 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.

### People

#### 8. Workforce

The knowledge and application of our sustainable commercial 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.



# Sustainable Commercial Farming continued

## 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 to 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.

## Sustainable commercial farming reporting

The Costa Group 2018 Sustainability Report marks the announcement and initial beginning of our reporting on our Sustainable Commercial Farming strategy. The report is therefore structured to reflect the three Pillars of Environment, Economic and People.

In recognising that we are only at an early stage of our Sustainable Commercial Farming journey it will take time for us to develop and refine our reporting capabilities. Our progress in achieving our strategy will be measured and reported both quantitatively and qualitatively. We have determined that this is the most transparent way for Costa to not only monitor progress internally, but to also inform our stakeholders, including community, investors and customers of such progress.

With respect to Environment reporting our aim is to begin by undertaking quantitative reporting and measurement of water use and efficiency, waste reduction, carbon emissions savings and renewable energy use. This report therefore marks the first time Costa has disclosed its annual water usage, which is broken down by individual produce category. We will also continue to report on our Greenhouse Gas Emissions (CHGs) and energy use across the business which is formally reported under the Australian National Greenhouse and Energy Reporting Act and detailed in this report.

## Sustainable Commercial Farming Principles



Our Economic reporting will be developed with the aim of focusing on quantitative reporting of production efficiencies achieved through eliminating waste in the production process, improving crop yield for each hectare we farm and capital expenditure in Sustainable Commercial Farming related projects. Our annual financial results are contained in our Annual Report (<http://investors.costagroup.com.au/investorcentre/?page=annual-report>) and will continue to be reported in this way, together with half and full year results reporting.

The focus of our People reporting will include further developing our quantitative reporting on diversity, workplace health and safety and training activity. We will also continue to highlight our involvement in the communities in which we operate and our ongoing efforts to promote health and wellbeing through various sponsorships, targeted donations and in-kind support.

A separate Corporate Governance Statement will continue to be provided and the current statement can be found at <http://investors.costagroup.com.au/investorcentre/?page=corporate-governance>

## Goals

The setting of specific goals with respect to achieving quantified targets will be developed based on input from across our business. Each category has been tasked with identifying improvement projects which target three initial priority areas – water, climate change and waste (both product and process waste). Upon establishment of these projects they will be subject to quarterly review, with reporting to occur on an annual basis commencing in the 2019 Sustainability Report. These projects will then inform any goals and targets that are set by the business and the time frames in which these will be achieved.





# Our mission




The Costa Group 2018 Sustainability Report marks the announcement and initial beginning of our reporting on our Sustainable Commercial Farming strategy.



A close-up photograph of several ripe, orange-colored fruits hanging from a tree with green leaves. The oranges are clustered together, and the leaves are vibrant green.

# Water technology

A wide-angle photograph of a large agricultural field covered with long, arched, white plastic tunnels. The tunnels are arranged in rows, and the ground in the foreground is brown and uneven. The sky is blue with some clouds.

Significant investment has been undertaken in water assets and technology, with a focus on water capture, efficiency of use and recycling.



# Environment

## Water

Water is a key input for horticulture and ensuring water security is a priority.

Over the last decade Costa has undertaken significant investment in water assets and technology, with a particular focus on water capture, efficiency of use and recycling.

Water requirements vary by produce category, including the utilisation of:

- water allocations (supplemented as required by spot purchases);
- dams;
- irrigation schemes;
- bores;
- water/rain harvesting;
- mains/town water; and
- recycling.

### Capture

Our most recent state-of-the art 10-hectare glasshouse producing snacking tomatoes has a closed water cycle, and does not require any water sourced external to the immediate site.

Rainfall is captured from the glasshouse roofs, buildings, hard stands and land within a defined site perimeter. Large holding dams store the captured water.

10mm of rainfall on a 10 hectare glasshouse roof is equal to one megalitre captured.

Water used to irrigate the tomato plants in the glasshouse is collected once it drains through the growing medium, then treated and reused for further irrigating of the plants. This recycled water substantially reduces the required inputs of fresh water, making water usage in the glasshouse highly efficient and sustainable.

### Efficiency of use

Our citrus farms utilise cutting edge drip fertigation technology. This involves using Enviro scan probes to monitor moisture and determine application requirements. This technology is used to determine if there is under irrigating (causing stress) or over irrigating (wasting water).

It enables informed decisions in the application of precise water and nutrient amounts and leads to more efficient water use.



### Recycling

Although our largest mushroom farm located in Victoria uses mains water, an opportunity was identified to recycle trade waste water to reuse it in the production process.

A waste water treatment plant was installed, which has the capacity to capture approximately 1 megalitre of waste water per week for recycling and reuse. This has reduced site usage of potable (mains) water by up to 40%.

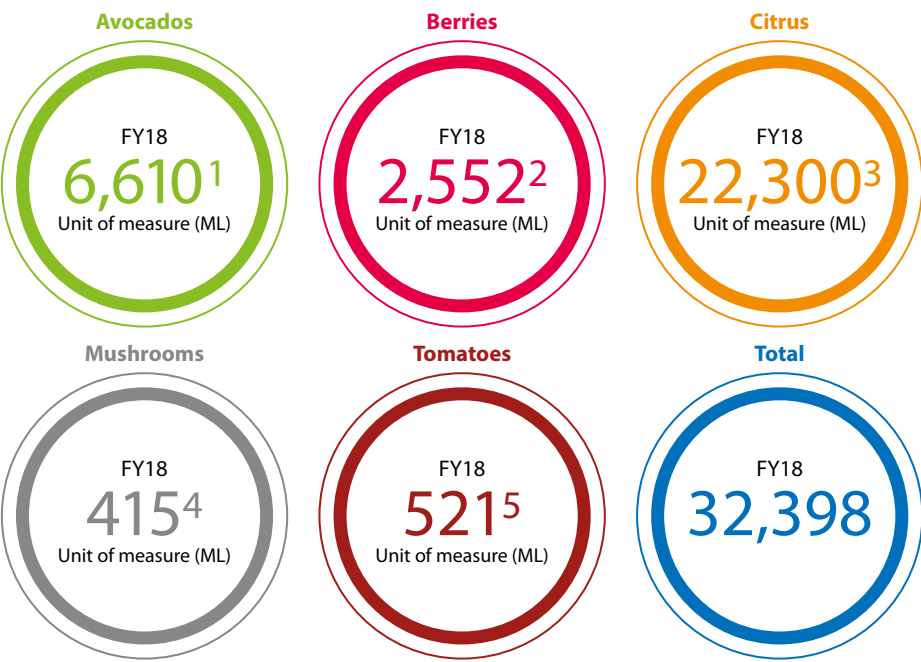
Water and nutrients applied to the tomato plants in our glasshouses is also captured and put through a micro filtration process to purify the water for reuse.

### Tomato category water efficiency and sustainability improvements

During FY18 the Costa Tomato Category undertook a major capital upgrade to the irrigation drain water capture system and storage capacity operating at our 20 hectare tomato glasshouse in Guyra, northern New South Wales.

Works included an upgrade of the heat sterilisation capacity to ensure that when treated recycled drain water is required at the start of a new irrigation day, there is more than sufficient water for that irrigation cycle, reducing the need to use fresh water. There was also a doubling of recycled drain water storage capacity and the installation of a pre filtration system.

### Water consumption by produce category



1. Includes usage of 2,010ML for banana production.  
2. Approximately 50% of the total available water (including aggregated licences) was used during the year.  
3. Includes usage of 353ML for table grape production.  
4. This figure excludes the use of recycled water.  
5. Of this total, 152ML was recycled drain water.



The benefits of recycling irrigation drainage water include a reduction in total fertiliser inputs, greater water security through increased availability of sufficient irrigation water and cost savings through reduced expenditure on fertiliser and water.

This investment is expected to save up to 22.5 megalitres of drain water per annum and increase our drain water recycling rate from 70% to 85%.

To highlight the water use efficiency of glasshouse grown tomatoes compared to field crops, it takes an average of 216 litres of water to produce one kilogram of field crop in Bundaberg Queensland compared to approximately 49 litres to produce 1 kilogram of crop in Costa's Guyra tomato glasshouses.

### Trialling of new systems to reduce water use in berry growing operations

As part of Costa's continued focus on sustainable farming, the Costa Berry Category is trialling new systems to reduce water use across its berry operations.

Costa's berry farms encompass five growing regions, producing blueberries, raspberries, strawberries and blackberries. In FY18 new substrate development trials commenced for drainage water capture, treatment and re-use opportunities which aims to reduce water use by a further 20%.

Horticultural trials focusing on minimising water use within substrate plantings are ongoing and also contribute to the selection of varieties. Rainwater harvesting from tunnel structures is also being tested as a means of providing a high quality water resource.

The majority of water used is for irrigation and a diverse range of water resources are utilised including rivers, irrigation schemes, dams and bores. Rainwater is captured on buildings and used to supplement washing, cleaning and fertigation/spray requirements.

Evaporative losses in the bulk water supply system are minimised by using pipes to transfer water between sources rather than open channels and covering storage tanks. Drip irrigation systems deliver water to the plants in a highly efficient manner. Dripline or individual emitters direct water precisely to a small area, maintaining soil moisture in the root zone and eliminating overspray.

The use of sophisticated irrigation controllers also enables Costa horticulturists to manage the irrigation scheduling in a time related manner. Irrigation within blocks is changed during the course of a day based on continual assessment of data from sensors relating to soil moisture conditions and evapotranspiration.

The latest developments use advanced control systems that fully integrate real-time sensor input (solar radiation, soil moisture and drainage) to automatically control irrigation scheduling. The irrigation systems are highly

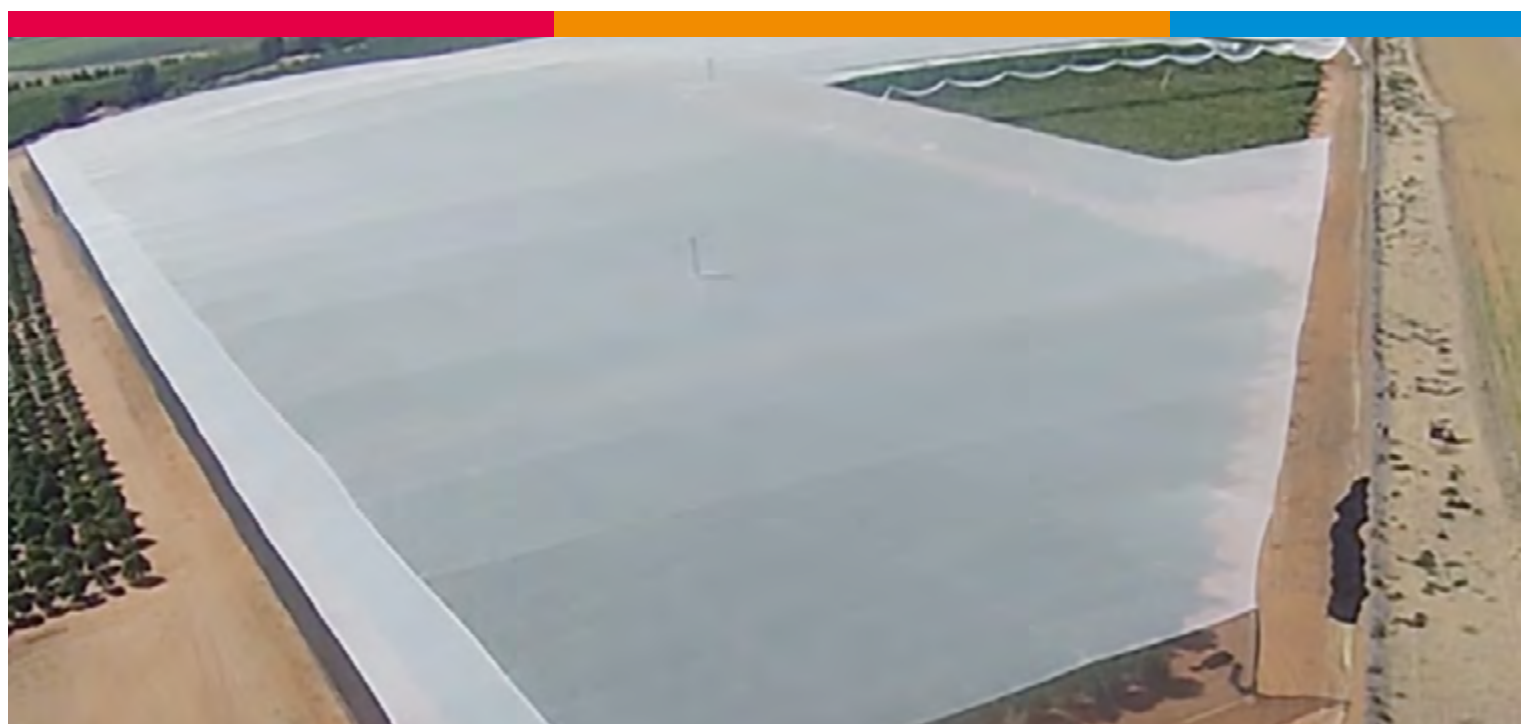
water efficient, minimising water loss during transfer and utilising irrigation control technology to ensure the plant water demand is met but not exceeded.

Automatic weather stations on the farms collect real time data from outside and inside the tunnel structures. This data is used to inform irrigation scheduling for the following day, enabling an effective response to changing climatic conditions.

### Trialling protected citrus cropping

The Costa Citrus Category is looking for new and innovative ways to more efficiently use water and where possible reduce usage per hectare of crop. To this end more than 24 hectares of permanent net structures have been erected over mandarins and persimmons on our Riverland South Australia farms. Although still early days as to the effectiveness of this type of protected cropping, it has reduced the water usage of the protected crop by between 10% and 20%.

Other benefits have included reduced fruit damage from wind, which increases the average quality and price as there is a higher percentage of first grade fruit. The netting also prevents bees from pollinating Afourer mandarins which reduces the seed count and increases the marketability of the fruit. The trees and crop are also more protected from adverse weather events such as hail and the incidence of sunburn on the fruit has also been reduced.



## Climate change

<b>Greenhouse Gas (GHG) Emissions</b>	<b>Unit</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17*</b>
Total Scope 1** & 2^	tonnes CO <sub>2</sub> -e	110,639	118,340	<b>118,254</b>
Scope 1	tonnes CO <sub>2</sub> -e	44,742	53,308	<b>54,064</b>
Scope 2	tonnes CO <sub>2</sub> -e	65,897	65,032	<b>64,190</b>

\* Most recent reporting period – National Greenhouse & Energy Reporting – s.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 emission included Indirect GHG emissions from consumption of purchased electricity, heat or steam.

<b>Energy Consumption</b>	<b>Unit</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
Total energy consumption	GJ	798,374	937,554	<b>931,417</b>
Total energy produced	GJ	-	-	-
Energy consumed net	GJ	798,374	937,554	<b>931,417</b>

Costa is required to report under the National Greenhouse and Energy Reporting Act 2007 (CW). This includes reporting and publishing data relating to greenhouse gas emissions, energy consumption and production for the period 1 July through 30 June each year.

The data for the most recent reporting period, 2016-17 shows a circa 1% increase in Scope 1 emissions and circa -1% decrease in Scope 2 emissions, with overall lower energy consumption compared to the previous year. It is intended to provide a more detailed breakdown of this consumption data in future reporting periods.

### Solar power installed at Monarto mushroom facility

Costa is undertaking its first major renewable energy investment in FY18 with the installation of a solar farm at our Monarto South Australia mushroom facility.

More than 5,000 solar panels are being installed at the Monarto site and these will generate up to 2,000 kilowatts capacity when the site expansion is completed early in the 2019 calendar year. This capacity will operate during daylight hours and complement power from the grid.

## Highlights

**5,000**

More than 5,000 solar panels installed at Monarto, South Australia mushroom facility.

**2,000kw**

Capacity to generate up to 2,000 kilowatts of power.

Increasing our renewable energy use and security of supply.

Complementary battery storage solutions are also being investigated, such that when economically feasible the aim will be to further reduce the site's reliance on the power grid and further boost the security and reliability of our energy supply.





# Economic

Production efficiencies will be sought through eliminating waste in the production process, improving crop yield for each hectare we farm and capital expenditure in Sustainable Commercial Farming related projects.

## Sensor system upgrade for blueberry packing

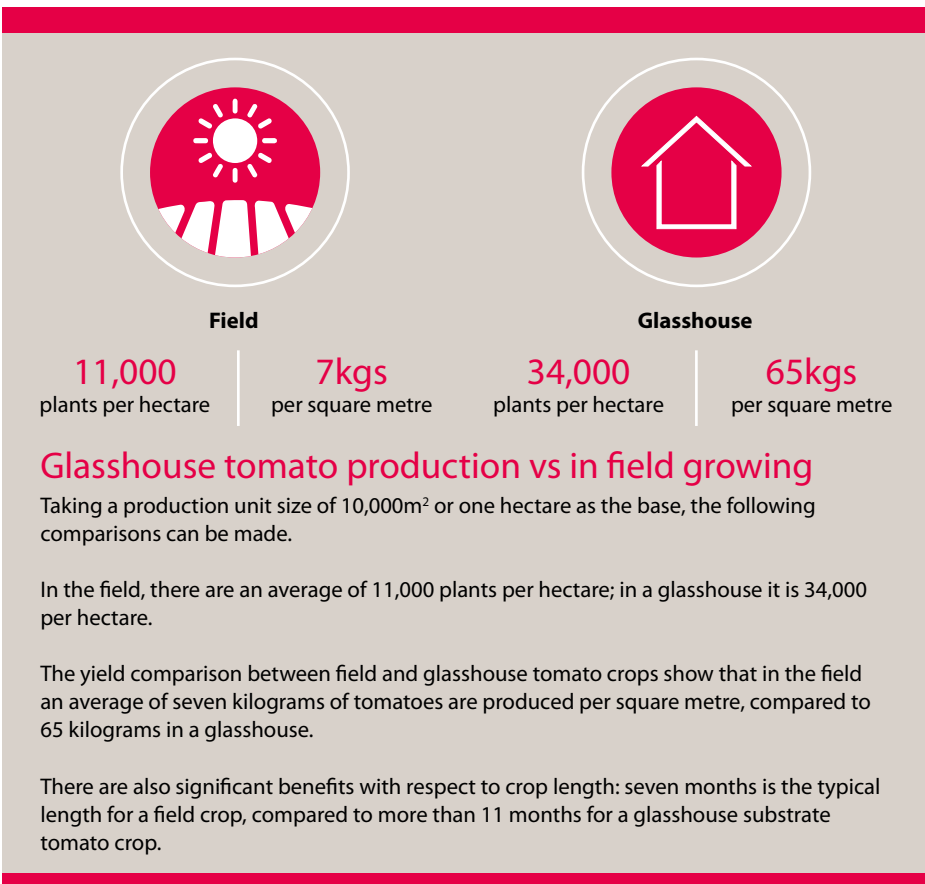
New sensor system upgrades to Costa's berry packing facilities at Corindi and Far North Queensland were undertaken during the year. The technology enables multiple images to be taken of each piece of fruit, enabling a full 360-degree surface inspection capable of identifying defects down to 0.2mm. This ensures maximum accuracy in sorting the fruit for size, colour, softness, bruising, decay, dehydration, stems, peeling and scarring. With a sorting speed of up to 2,000 kg per hour, this also eliminates the need for manual sorting.



## Tomato product savings and packing efficiency

In FY18 the Costa Tomato team undertook a quality improvement project aimed at increasing the packing efficiency of our snacking variety tomatoes that are packed on our grading and packing line. The result has seen a reduction in product waste and the incidence of overweight punnets that do not meet customer specifications.

The project involved making the snacking tomato punnets deeper which combined with removing overweight product resulted in there being less excess product height in the punnet. This dramatically reduced the amount of waste product that resulted from overweight punnets falling out onto the production floor area. Wastage per punnet has been reduced by up to 10 grams per punnet, together with a 10% increase in packing efficiency.



## Harvest Management System

A customised Harvest Management System (HMS) has been introduced into the Berry and Mushroom Categories and is already delivering impressive results. Providing an in-field solution, the HMS tracks real time harvest data by individual picker. For berries it enables more accurate measurement of yield and harvest efficiency by farming block and variety throughout the harvest cycle. This real time information on field harvest progress also enables the packing operations to prepare for incoming fruit.

The yield is recorded on tablets connected to weight indicators and symbol barcode scanners. The HMS captures kilograms of fruit picked and the time employees have worked and automates payroll based on the recorded data. The HMS can be operated out in the field with limited or no internet connection. Data is stored in a local database and reported back to Costa once it connects to a 3G or 4G service.

The recording of paper-based production data was removed within three months of rolling out the HMS. The Berry team can now report on variations over time in its yield and is able to make decisions about performance enhancements based on hard data.

Highlights

2,000kgs

Sensor system grading technology sorts up to 2,000kgs of blueberries per hour.

Technology enables full 360 degree surface inspection and is capable of identifying defects down to 0.2mm.

Ensures maximum efficiency in sorting blueberries according to fruit size, colour and softness.

## Data analytics to improve production

Costa is currently running a pilot program with The Yield, an Australian agricultural technology company established in 2014 by Founder and Managing Director Ros Harvey. The Yield combines hardware, data analytics and user-friendly apps to improve the efficiency of the agricultural industry. The technology products can be applied across the food chain to help increase yield, reduce waste, mitigate the risk of cost associated with bad weather and aid environmental sustainability.

The pilot covers three of our five berry growing regions – Corindi, on the New South Wales Mid North Coast, Walkamin in Far North Queensland and the North West Coast of Tasmania.

The core product data points that are being collected in the pilot program at each site are soil temperature, air pressure, wind speed and direction, soil moisture, leaf and berry wetness, relative humidity, conductivity, total solar radiation, photosynthetic active

radiation, air temperature and rainfall. Each data point is measured in real time at the specific site location, with the historic data points then analysed using algorithms developed by The Yield to make predictions and forecasts of future conditions.

By linking climatic observations and farm data, the intent is to develop more accurate crop and yield predictions, with the ultimate aim being to maximise yield, reduce waste and introduce productivity efficiencies with respect to our cost base, including labour and farming inputs, such as water, fertiliser and insecticides.

## Quality and technical partnerships

Costa's Quality and Technical team utilises an extensive network of external resources including compliance bodies, government agencies, research / academic institutions and industry associations.

One of these key partners is the Fresh Produce Safety Centre Ltd (FPSC) Australia and New Zealand. The FPSC is an industry-led,

not-for-profit company established to enhance fresh produce safety across Australia and New Zealand through research, outreach and education. The FPSC was established by Produce Marketing Australia and the University of Sydney, with support from a range of partners including sponsorship from Costa. Covering all aspects of fresh produce safety by supplying valuable information and resources, the FPSC also facilitates research with practical application while identifying any knowledge gaps in fresh produce safety.

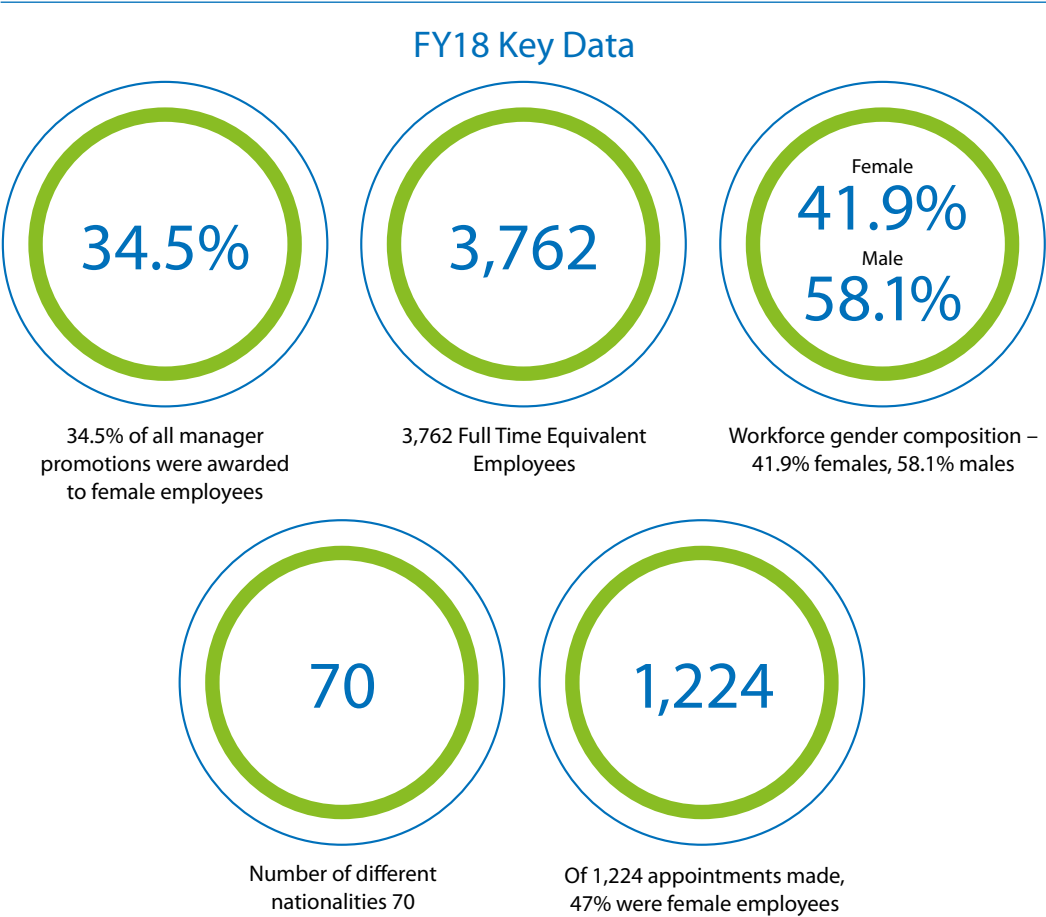
Through its Guidelines for Fresh Produce Food Safety, the FPSC provides Costa with practical, up-to-date information on assessing and managing food safety risks for fresh produce. Incorporating the latest in scientific research and industry experience, it also harmonises fresh food safety practices and programs, detailing good food safety practices for entire fresh produce production and distribution chains, from growing through to receipt at retail. Costa is fully committed to furthering collaboration between industry participants to advance awareness of fresh produce safety.





# People

The seasonal nature of the Costa business necessitates that our direct and indirect employee numbers will vary during the course of the year and in FY18 our workforce comprised 3,762 full time equivalent employees.



## 2018 people stats

3,762  
FTE's (2017 – 3,698)

Female 41.9%  
Male 58.1%

gender composition of workforce.  
(2017 – 45.2% females, 54.8% males)

34.5%  
of all manager promotions were awarded to women  
(2017 – 35.7%)

1,224  
appointments made, 47% were female employees. (2017 – of 1,265 appointments made, 45.7% were female employees).

83.3%  
of all women and 100% of all men who utilised parental leave returned to work.

60%  
of our workforce was covered by an enterprise (certified) agreement in 2018.



### COSTA PEOPLE PILLARS

SOURCE	GROW	PROSPER
<ul style="list-style-type: none"><li>Costa values underpin the selection &amp; engagement of the right person for the right role.</li><li>Costa brand attracts the best workforce, industry leaders, thought leaders and emerging leaders.</li><li>Our domestic &amp; international network introduces a pipeline of high calibre &amp; diverse people.</li></ul>	<ul style="list-style-type: none"><li>We cultivate a holistic learning approach encompassing personal, technical &amp; experiential development.</li><li>Performance feedback drives continuous improvement.</li><li>We leverage our talent &amp; capability to benefit the business &amp; our people.</li><li>We nurture &amp; inspire excellence in people, passion &amp; performance.</li></ul>	<ul style="list-style-type: none"><li>We recognise, reward &amp; celebrate success.</li><li>We foster a culture of mutual commitment to the success of Costa &amp; its communities.</li><li>Our People demonstrate agility &amp; innovation to deliver in challenging &amp; new environments.</li></ul>





## Our people

As a values driven Company we ensure our people embrace our core values of passion, respect, sincerity, determination and accountability. We recognise that they deserve a workplace that is safe and healthy, provides them with every opportunity to succeed, and rewards effort for their contribution to our success.

### Costa Awards – Adrian Costa Scholarships

The development of our key talent is of critical importance to the future success of our organisation, and the Adrian Costa Scholarships and other major Costa awards support this key objective.

Eligibility for an Adrian Costa Scholarship is open to all Costa employees, regardless of their position in the organisation.

Individuals demonstrating the key Costa values of determination and passion in their respective duties are nominated for consideration. If successful, they are given a valuable opportunity to pursue a wide range of personal or professional development activities that not only benefits the individual but also contributes to the growth of the Costa business.

Individuals demonstrating the key Costa values of determination and passion in their respective duties are nominated for consideration.



**Sisilia Tu'Ipulotu**

Harvest Leader – Mushroom Category,  
Harvesting (Monarto, SA)

Sisilia Tu'Ipulotu was awarded an Adrian Costa Scholarship in 2017. After leaving her previous employment in hospitality, Sisilia began working as a picker at our Monarto South Australian mushroom farm in February 2015. While undertaking early training, it was evident to management that Sisilia had considerable leadership skills.

Accepting a position as Harvest Team Leader, Sisilia was then promoted to Harvest Trainer, with responsibility for training groups of 10 or more harvesters. Her drive and passion has delivered excellent results, with Sisilia proving to be someone who will always do her best at whatever task she is given. Sisilia thoroughly enjoys her role and can clearly see a future for herself in the Costa business.

Sisilia recently completed a Certificate IV in Training and Assessment and quickly applied her learnings in a practical way by redeveloping the Harvesters' handbook. The best part of her job, according to Sisilia is working with people from all different cultural backgrounds. This includes meeting new people every day, seeing trainees develop into great harvesters, while also understanding that ongoing support during the early stages of harvesting is the key to retaining trainees, including consideration of such factors as living proximity and English as a second language.

Sisilia plans on using her Adrian Costa Scholarship to undertake more study in the area of training, coaching and mentoring,



**Jeremy Ezard**

Site Manager – Mushroom Category, Compost  
(Nagambie, Vic)

Jeremy Ezard was an Adrian Costa Scholarship winner in 2017. He began working in the Costa Mushroom Category as a casual when he was 17 years old. Since then Jeremy's career progression at the Nagambie (Vic) compost facility has seen him performing the role of Plant Operator, to Sunday Supervisor, to Assistant Manager to his current role of Site Manager.

As Site Manager, Jeremy leads his team of 18 people in producing compost which is the key growing medium for white and brown mushrooms. The process, undertaken every day of the year, must be controlled to ensure the highest quality compost. This is not a glamorous job but is a critical one to ensure the success of the mushrooms grown at our Mernda (Vic) farm, currently the largest mushroom growing facility in the southern hemisphere.

Jeremy is proud of his achievements in supplying consistent quality compost all year round and also in hitting a record number of LTI free days on his site (> 1,200 days).

As a senior member of the Costa Mushroom Category Management Team, Jeremy has been a key contributor to the success of the mushroom business and has demonstrated a willingness to take on new challenges. This has included undertaking secondments to other Costa compost facilities where he has worked closely with those local teams.





### Nathaniel Sopelario

Quality Manager – Tomato Category, Quality (Guyra, NSW)

At the time of winning a 2017 Adrian Costa Scholarship, Nathaniel Sopelario had been with the Costa Tomato Category for just 18 months. Nathaniel came to Costa with a wealth of experience from various industries, including brewing, dairy (cheese), carbonated beverages, chemicals and cereals/snack foods. He has used this experience to improve quality assurance processes at Costa's tomato glasshouses located at Guyra in northern NSW.

By putting in place quantifiable assessments at each stage post-harvest, Nathaniel made quality testing clear and measurable. Implementation of the online platform, Greenlight QC made data collection easier using tablet devices onsite. Assessment results and grading performance are visually tracked and electronically sent by email to the technical team through the Greenlight device. Up-to-date reports can be run instantly providing insight on variety pre-harvest and post-harvest performance over time.

Nathaniel has also focused on developing people in the operations team by improving their skills on how to conduct internal audits, structured problem solving, including Root-Cause-Analysis and the use of Skytrust (cloud-based organisational management system). He has facilitated business process reviews across the entire Tomato category improving communications and ensuring customer engagement is both timely and effective. Through his SAP experience, Nathaniel led the extension of the SAP scanning process onto work-in-progress materials.

Nathaniel has also conducted a full review of the environmental and hygiene strategy resulting in the implementation of the Environmental and Biosecurity Plans. He epitomises the Costa values in his professional pursuits and is a great asset to the Tomato Category.

Nathaniel enjoys the fact that the Tomato Category is an agile operation with the team readily willing and able to implement change. With his Scholarship Nathaniel would like to invest time developing his skills in two areas, namely post-harvest quality and data analytics/visualisation. This would entail using quality data to develop modelling to predict performance factors such as fruit quality, yield and shelf-life, through taking into account pressures such as weather and pests.



### Fish Yu

China Farm Manager – International China

Our China Joint Venture is a major new development for Costa and we recognise that for it to be successful we need to combine the best of our existing experience in Australia with the talent and experience of local Chinese personnel. Together we are developing company processes and culture that combine the best of both.

Fish Yu is the first of our local China employees to be awarded an Adrian Costa Scholarship and his enthusiasm and passion is clear to everyone who meets him. Fish joined the China Joint Venture in 2016 in the role of Trainee Farm Manager in Bailing and after an initial period, it was evident to management he possessed exceptional skills across a broad range of capabilities and he was subsequently offered the Farm Manager role at our new site in Manlai.

Fish exhibits qualities that reflect the Costa values and he is a leading example of the quality of people Costa is looking to employ in China. As Farm Manager, he is accountable for carrying out and supervising all farm maintenance practices, where he has achieved and often exceeded expectations. Fish has demonstrated excellent leadership skills, an example of which is when he unselfishly worked while the other members of his team enjoyed the national holiday break over the Chinese New Year period.

Fish is using his Scholarship to focus on developing his knowledge and understanding of production and management techniques by visiting Costa's berry growing operation in Morocco and also berry farms in California and Peru.





#### Jessica Scalzo

From a small office on the Costa Berry farm at Corindi on the Mid North Coast of New South Wales, Costa plant breeder Dr Jessica Scalzo is leading the development of new blueberry varieties being grown and sold around the globe.

Jessica is the Variety Improvement Manager for the Costa Berry Category and is overseeing a program to continuously improve the fruit quality and growing characteristics of the blueberry.

With increased production of blueberries around the globe, Jessica's work has been focused on higher crop yield and increased productivity.

Jessica, who grew up in a small Italian town, has always had an interest in plant breeding. After completing a Master of Agricultural Science and Food Technology at the University of Ancona in Italy, she went on to complete her PhD in plant breeding.

Using traditional plant breeding techniques, Jessica and her team have tens of thousands of plants being grown under trial conditions, constantly looking for new varieties that meet the quality test.

Starting with more than 20,000 seedlings, which are new crosses between existing varieties, every single plant is tested for fruit characteristics, including flavour, texture, colour, firmness and eating qualities. The selection standard is very high, with only one to two per cent making the grade. Those plants that make the grade are then propagated by cuttings and put through further trials, which can run for up to 10 years.

Jessica has also published a number of book chapters and numerous papers in peer reviewed scientific journals about berry plant breeding. Her contribution to the success of the Costa Berry Category was recognised in 2016 when she was awarded the Costa Chairman's Award for Business Innovation.



#### Education and Training Costa North West Tasmania Scholarship update

Costa's North-West Tasmania Scholarships in Agricultural Science support students from the region who wish to undertake undergraduate and postgraduate agricultural study at the University of Tasmania.

Dylan Bellchambers of Ulverstone, Tasmania is the 2018 recipient of the Costa North-West Scholarship in Agricultural Science, worth \$10,000 a year for four years for a student studying agricultural science.

Growing up in Ulverstone and working during school holidays on his uncle's crop and livestock farm, Dylan has agriculture in his blood and is the first in his family to attend university. The scholarship will make a real difference to Dylan and his family being able to meet the upfront costs of attending University of Tasmania in Hobart.

Dylan, who went to Ulverstone High School and Don College, is keen to raise the profile of agriculture, particularly in secondary and pre-tertiary education with more of a focus on science-based agricultural subjects, particularly in years 11 and 12.

In addition to the Costa North-West Scholarship in Agricultural Science, Costa also supports an Honours Scholarship in Agricultural Science, valued at \$10,000 for one year.

The 2018 recipient, Sally Stone-Schack, from Sandy Bay, has completed three years of her Bachelor of Agriculture Science at the University of Tasmania and her area of interest is focused on how we can use the environment to work with agriculture, in particular the use of entomology and the role of pollination for fruit crops.

Sally will complete her Honours year with a research project focusing on bee behaviour specifically looking at the impacts of Thymol treatment on the foraging behaviour of bees. Thymol is a treatment for varroa mites (*Varroa destructor*), which are a significant threat to bees around the world. Underlining the importance of Sally's research is the fact that while Australia is one of the few countries in the world to remain free of varroa mite, it is estimated that the healthy bee population could be reduced by 90–100% if it became established.

#### Costa and TAFE NSW partner to provide new career pathways

A partnership between the Costa Berry Category and TAFE NSW is providing new career pathways and leadership training opportunities for our employees.

As Costa's harvest workforce continues to grow due to expanded production, so too does the need for skilled supervisors.

TAFE NSW worked with Costa for more than 12 months to understand our growth plans and associated workforce needs, and then map out career pathways and customised training programs.

The training, which provides both theory and hands-on skills for the field, enabled up to 40 staff to be promoted to supervisory roles ahead of the blueberry and raspberry harvests at Corindi, on the Mid North Coast of New South Wales.

These programs are currently in place for Costa's berry operations Australia-wide, but ultimately they can now be adapted for our other operations, including mushrooms, tomatoes, citrus, table grapes, bananas and avocados.

This training equipped our workers with a range of project management and leadership skills, and assisted with development of career pathways to enable them to successfully transition to other parts of the business with the skills required.

So far, 200 leaders have been through the program and the continuity among supervisory staff was essential to the growth of the Berry Category and its ability to run its harvesting operations efficiently





Sourcing new skilled workers for team management roles in a seasonal industry can be challenging, so working with TAFE NSW to design a formal program that develops the skills of our existing workforce was vital in order to fill those roles when needed.

Many senior leaders in Costa actually started out in the field as harvest workers, which give them a unique insight into what the business looks like in the field. Building up their leadership skills fosters company loyalty and also helps new people joining the business to transition smoothly.

### Employees at Costa Mushrooms get energised with Miguel Maestre

In February Costa Mushrooms held an employee engagement day to celebrate the cultural diversity of the Mernda team. Miguel Maestre, energetic Celebrity Chef & Australian Mushroom Ambassador entertained staff demonstrating how to create his famous Mushroom “Alla Maestre” Paella dish with help from volunteers from the crowd.

In keeping with the Spanish theme, we had Simply Spanish, award winning local Paella company on-site serving delicious vegetarian and seafood paella in their impressive two-metre Paella Pan. Delicious churros were also enjoyed by all.

In addition, multiple prize raffles were held with hampers and personally autographed Miguel’s Tapas cookbooks won by employees on the day.

This was a fantastic opportunity to engage almost 500 employees who grow, harvest, pack and distribute Costa Mushrooms 365 days a year. It was a novel way to reward and celebrate our people. Miguel’s personal stories explained his love for food and cooking, showed empathy with his audience when he spoke of arriving in Australia 17 years ago with no money and little English. Considering our culturally diverse workforce, Miguel was able to reach everyone with his energy and positivity.

### International labour sourcing

It is important to both our Board and the Executive Team that we are consistent and rigorous in the high standards that we apply with respect to our people. We recognise that they deserve a workplace that is safe and healthy, provides them with every opportunity to succeed, and rewards effort for their contribution to our success whether they are located in our domestic or international businesses. Consistent with this, during the year HR practitioners were employed in our China operations with a brief to develop succession plans that replicate Costa’s domestic people capability plans so as to ensure key talent is matched to key roles.

Our entire permanent workforce in China is engaged on government approved contracts, registered with the local labour bureau, which cover all minimum conditions of work. Typically, contracts contain a two-month probation period and operate for 14 months, although some senior staff have longer contracts. These employees are also covered by the state mandated insurance and social benefits, with all payments being made directly by Costa to employees.



Costa and the local state owned agricultural Company, Li Ming Land Company Ltd, are undertaking investment in agricultural activity that can result in alleviating rural poverty.

Chinese labour law is subject to continued change and development of the laws and regulations. This can also present a challenge with respect to local interpretation at the county level. However, Costa has developed productive relationships with the local County Labour Bureaus in each of our two operating regions, to ensure any issues are dealt with efficiently and harmoniously. Our HR Managers on the ground have been trained in the relevant labour regulations, and also partake in regular update sessions to ensure they stay abreast of any changes to the law. The Chinese Labour Bureau enforces rigorous checks and balances in relation to illegal workers.

## Addressing poverty through employment

A major Chinese government focus in Yunnan Province where Costa has its farming operations is poverty alleviation in rural areas. Costa's investment in establishing substrate berry farms in Yunnan is seen by government as providing a major opportunity for employment generation and part of the solution to reducing the incidence of rural poverty in China.

Costa and the local state owned agricultural Company, Li Ming Land Company Ltd, are undertaking investment in agricultural activity that can result in alleviating rural poverty. To highlight this cooperation, a ceremony was held on Costa's Manlai farm attended by senior representatives from Li Ming, the Deputy Director of the local Labour Bureau and workers from Costa and Li Ming Land Company.

The Deputy Director spoke about the importance of the Costa investment in local agriculture in relation to the need to create employment opportunities and the importance of this with respect to poverty alleviation. Costa China General Manager Lew Dagger spoke about Costa's recognition of the importance of strengthening the employment relationship with local people, bringing direct economic benefit to the workers and recognising both national and local policies that are focused on employment creation and improving the social good of rural China.









# Health and Safety

## Our Approach

Costa's *3 Pillars of Safety* model is an effective Work Health and Safety vision supporting our strategy to work towards zero injury:

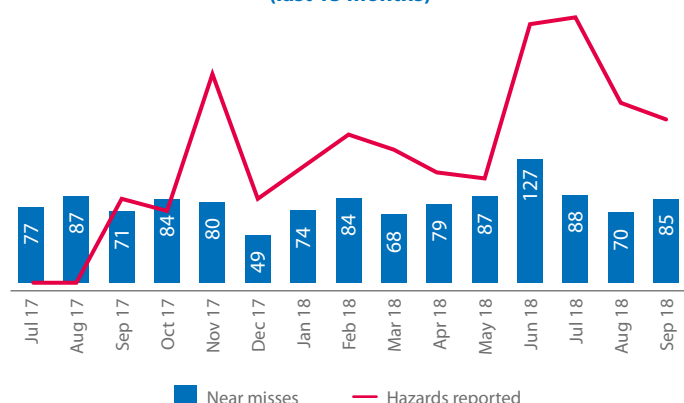
- To protect
- To improve culture
- To be the best



## Our Safety Performance (domestic)

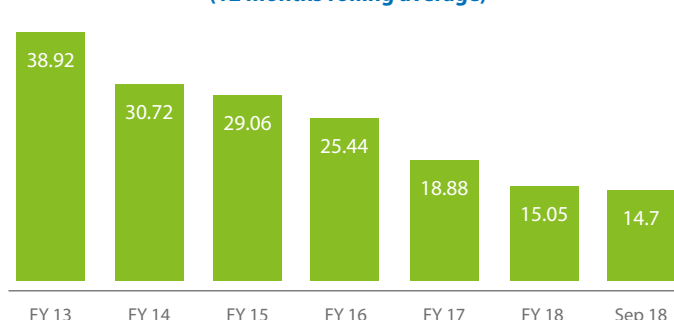
### Key OHS data

**Costa Group – Near Miss and Hazard Reporting (last 15 months)**



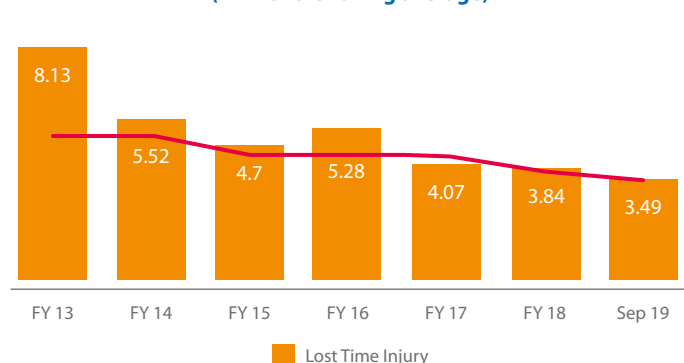
Costa actively encourages near Miss and Hazard reporting over the past 15 months has seen continued momentum across the Company with the reporting of hazards, whilst Near Miss reporting has remained relatively stable.

**Costa Group – Total Recordable Injury Frequency Rate (12 months rolling average)**



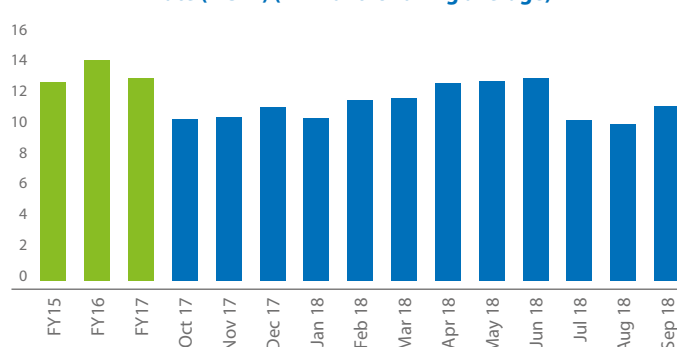
The Total Recordable Injury Frequency Rate (TRIFR) 12 month Rolling Average FY18 performance reinforces the positive aim and impact of the WHS Strategic Plan initiatives, with a 20% reduction having occurred in this lagging indicator. A significant contributor to this reduction has been activities such as the Executive WHS Road Show, where the most recent road show focused on the Costa Critical Safety Rules and hazard identification, reporting and mitigation.

**Costa Group – Lost Time Injury Frequency Rate (12 months rolling average)**



The Lost Time Injury Frequency Rate (LTIFR) 12 month rolling average FY18 performance further improved on FY17 by circa 5.5%. The improvement is highlighted by the fact it has occurred during a period of acquisition, which required speedy and effective integration of the Costa safety culture into newly acquired farms.

**Costa Group – Workers Compensation New Claims Frequency Rate (NCFR) (12 months rolling average)**



The New Claims Frequency rate (NCFR) (the number of new workers compensation claims received) continues to be an effective measure of safety performance. It allows analysis of claims and cost to help in our continued efforts to improve injury management. This includes working closely with local doctors on alternatives to time away from work and support for return to work as soon as medically appropriate. Early intervention supporting employees when incidents occur, caring for the person with immediate medical support or practitioner support such as a physiotherapist, can also lead to less severe injuries and claims.



The 2017 Costa Group Chairman's Award for Workplace Health and Safety was awarded to a team who embraced the Costa values to deliver a substantive \$3.2 million capital expenditure project.



### Our focus

The Costa Workplace Health and Safety (WHS) Strategic Plan 2018 to 2021, provides direction and tools for the continuous improvement of safety culture and performance across Costa sites both domestically and internationally. The deployment of the WHS Strategic Plan is currently being implemented in our China operations through the site leadership and a dedicated expert safety resource. Our China operations have also commenced reporting leading and lagging safety metrics in line with Australian requirements.

The African Blue Morocco operations have also commenced the deployment of the WHS Strategic Plan, with a safety manager to be employed to support the operational implementation within these operations. African Blue will commence safety metric reporting based on the Australian standard from 1 January 2019.

The WHS Strategic plan continues to support the 3 Pillars of Safety consolidating performance improvements already achieved as well as stretching the lead indicator performance. The focus on leading indicator performance is hazard identification, reporting and mitigation.

This Costa Safety Leadership Program introduced in 2016 has been a clear catalyst for the increased reporting of leading indicators in near misses and more recently from July 2017 hazard reporting. It is now an accepted part of our safety culture that the more hazards identified, reported and mitigated means fewer potential incidents occurring on Costa sites leading to fewer injuries to our people.

Significant gains have also been achieved in the reporting of hazards, which provides valuable data to share across all Costa sites as well as utilising root cause analysis to remove the hazards from our workplaces. It was decided to separate out Hazard reporting from Near Miss reporting from July 2017 to enable a more focused assessment of hazards and their removal.

During FY18, the following WHS outcomes were achieved:

- The Costa Safety Leadership Program is designed to focus behaviours, challenge our beliefs and values about safety, and set a benchmark to improve and build upon our safety culture. The aim is to ensure this program is conducted consistently across all of our sites. In FY18, a further 99 personnel completed the training, bringing the total number of Costa employees who have participated in the Costa Safety Leadership program since 2016 to 805.

- The Costa Critical Safety Rules were rolled out across the domestic business and in China, with Morocco scheduled for the start of the next harvest season in January 2019. These Critical Safety Rules, developed by the Costa WHS Connect Committee and endorsed by the Executive Team, are designed to recognise and focus on high risk activities that potentially cause serious incidents and injuries. There are nine mandatory Critical Safety Rules where employees need to be able to identify the risk, follow the procedures and ensure any change in these areas that may contribute to an incident is immediately identified and rectified. The Critical Safety Rules also align with our WHS Strategic plan that forms the 3 Pillars of Safety.
- Every domestic Costa site (more than 50) now has a defibrillator and have staff trained in their use. This recognises the importance of having immediate first aid available in the workplace and the remote locations of many of our sites. Having a defibrillator in the workplace can literally make the difference between life and death. They can save a life prior to an ambulance arriving and according to the Victorian Ambulance Cardiac Arrest Registry (VACAR) 2014/15, defibrillation within the first few minutes of having a sudden cardiac arrest increases the chance of survival to over 70%.



## Highlights

Every domestic Costa site now has a defibrillator, ensuring the provision of immediate first aid to our workforce.

## 805

As of June 2018, 805 employees have participated in the Costa Safety Leadership Program.

A dedicated Health and Safety Manager appointed to our China operations.

- The annual Executive WHS Roadshow took place in early 2018. This involves members of the Costa Executive Team visiting all of the Company's sites with a specific focus on WHS performance and the promotion of an open dialogue with local management and staff about key WHS issues. The main areas of focus over the last year included reporting of Incidents, Critical Safety Rules, site WHS communication and reinforcement of the 3 Pillars of Safety.

## Murtho citrus packhouse safety improvements

The 2017 Costa Group Chairman's Award for Workplace Health and Safety was awarded to a team who embraced the Costa values to deliver a substantive \$3.2 million capital expenditure project.

The Murtho Pack-House Rebuild was an example of how each member of the team's individual role collectively enabled the efficient completion of this sizeable project. With daily planning and effective communication, the team was able to take on new experiences and tasks outside of their normal roles.

The team embraced the Costa values throughout the project and maintained safety to a high standard through the implementation of the Take 5 hazard reports. Not only were lost time injuries avoided, but only one medical treatment was recorded among nearly 8,200 hours worked.

## Australian safety standards being deployed in China

There has also been a significant focus on developing the team capability and safety culture in our China operations. A dedicated Health and Safety Manager was appointed in August 2017 to ensure that our Chinese operational safety standards not only comply with Chinese national standards, but also align with best practice Australian standards.

An ongoing safety training plan has also been implemented, with a number of training courses already completed. Safety audits of each farm have commenced, aimed at identifying and responding to high priority issues, while incident reporting in the same format as that used by Costa domestically was also introduced.

## Active life training program at Mernda

To reduce the risk of musculoskeletal disorders (MSDs) in our harvest workforce, the Costa Mushroom Category worked with physiotherapy and occupational health professionals to develop the Active Life training program.

Active Life is a purpose built movement-training program that focuses on the body's basic biomechanics, including an explanation of the way a joint moves, the muscles around it and the best way to safely move to utilise the correct muscles and minimise injury risk.

Participants then practise these movements and are provided with feedback on how to improve until they have the movement perfected.

The program aims to build strength and flexibility with the use of these moves as a daily sequence. Therefore, people are encouraged to practice the moves every day, thus changing habits and improving the health of the workforce. An added benefit of the program is that it also helps older workers to stay work fit.

The Active Life manual handling and movement training program has to date been rolled out across Australia to more than 900 workers in the Mushroom Category.



# Community

We are actively involved in supporting the social fabric of the many regional communities in which we operate. Our footprint requires us to not only act and behave as a responsible corporate citizen, but to also work closely with communities so that they can benefit both economically and socially.

Costa grows and supplies a range of fresh produce that are all healthy, nutritious and acknowledged as being essential to maintaining a healthy body and mind. This provides Costa with a unique opportunity to engage with the communities in which we operate through using our products and locations to promote healthy eating and living.

## Costa provides further boost for Produce to the People

Last year we reported on the commencement of our partnership with Tasmanian based food charity, Produce to the People. As one of North-West Tasmania's largest employers, Costa began donating berries and mushrooms to Produce to the People in 2016 in recognition of the outstanding contribution this organisation makes to the local community.

In FY18, Costa threw further support behind Produce to the People with \$10,000 of funding to secure the ongoing operation of the organisation. Produce to the People is a social enterprise that grows, gathers and provides fresh produce to those in need. In the last financial year, the organisation gave more than 80,000 kilos of produce to the North-West community.



Produce to the People operates a diversified, four-season farm as well as an education centre that hosts thousands of visitors each year and welcomes donations through Give Now at [www.givenow.com.au/producetothepople](http://www.givenow.com.au/producetothepople)

Costa looks forward to working together with Produce to the People well into the future so they can realise their mission to create a healthy and sustainable food system in which people in the community who are in need have access to fresh and healthy produce.

## Support for Foodbank and FareShare to feed Australians in need

Foodbank is the largest hunger relief organisation in Australia. Established in 1992, it collects and distributes the food industry's surplus food to the welfare sector. Last year, this equated to over 63 million meals. Costa is proud to have supported Foodbank since 2011, being one of the first fresh produce companies to commit to assisting Foodbank on a national level.

As one of Foodbank's most valuable partners, Costa has, to date, donated more than 2 million kilograms of fresh produce to Foodbank. This equates to over 16 million serves of nutritious fresh fruit and vegetables to people who might otherwise have gone without.

In early 2018 Costa teamed up with Melbourne based food charity FareShare to trial the inclusion of nutrient rich mushroom stems into some of the 5,000 free meals prepared by FareShare each day.

To meet retailer specifications and customer preference, mushrooms are harvested by slicing the stem from the mushroom. These stems were largely discarded as part of the production process, even though they are just as nutritious and tasty as the actual mushroom. FareShare and Costa came together to not only reduce this waste but to also find ways to enable those in need to have access to this healthy food.

## New Horizons Disability Enterprise assists in the fight against fruit fly

New Horizons operates an Australian Disability Enterprise (ADE), providing employment opportunities for people with disability and helping them get training and work experience.

Costa sought New Horizons' assistance to produce material used to assist in controlling Queensland Fruit Fly in its berry crops. The team at New Horizons have also previously assisted with Costa's irrigation systems.

The work of the New Horizon employees is a critical part of the pest management process. Costa has had a long and productive relationship with New Horizons, having used them for a range of tasks over the years.

New Horizons also provides Costa with a secure paper shredding service, which is a key part of Costa's recycling activities. ADEs are part of a continuum of employment opportunities for people with disability and act as a link, helping them gain training and experience to confidently step into open employment or to continue in supported employment if they choose.

As one of Foodbank's most valuable partners, Costa has, to date, donated more than 2 million kilograms of fresh produce to Foodbank.



# Community spirit



Costa grows and supplies a range of fresh produce that are all healthy, nutritious and acknowledged as being essential to maintaining a healthy body and mind.





### Helping special olympics athletes to reach their personal best

Every four years, athletes with an intellectual disability from all over Australia demonstrate their skills and sportsmanship at the Special Olympics Australia National Games, the flagship event of Special Olympics Australia.

In 2018 Costa was proud to support the Special Olympics held in Adelaide during the month of April. Through an \$11,000 donation, Costa helped fund medical checks for all of the 1,000 athletes who participated in the games and also provided fresh fruit during the event for the athletes, more than 800 volunteers and all of those supporting the games, including family and friends.

Over five days there were 300 plus events covering 11 different sports, including athletics, swimming, basketball and even bocce. Special Olympics Australia also provides weekly sports training and regular competition for people with an intellectual disability, giving them opportunities to reach their personal best in sport and life.

### China excellence in Agriculture Business Award

In May 2018 in Shanghai, China, Costa was announced as the winner of the Business Excellence Award for Agriculture, Food & Beverage at the prestigious 25th Annual AustCham Westpac Australia-China Business Awards.

Peter McPherson, General Manager of Costa's International segment accepted the award and told the assembled audience that the footprint Costa has established in China working together with Driscoll's has taken a lot of hard work and most importantly this has involved a commitment to work cooperatively and harmoniously with local stakeholders, including government officials, Costa's employees and local villagers.

The award recognised the agronomic practices that Costa has brought to China, including world leading blueberry IP and substrate growing methods. The award was also recognition of how Costa has worked with all local stakeholders in helping to realise their commitment to agricultural policies and practices that improve economic development by creating jobs in agriculture, and having a positive environmental impact and benefit the greater social good.

The great work of Costa's local employees in working to establish three farms in Yunnan Province (to date), is highlighted by their willingness to learn and apply new skills.

### Costa teams up with lifeguards to deliver surf safety message

During the year, the Costa Berry Category teamed up with the Coffs Harbour City Council Lifeguard Service to provide information sessions for workers on surf safety.

Costa employs up to 2,000 local and seasonal workers during the peak harvest season in October and November at our berry farm in Corindi, New South Wales.

To help them stay safe in the surf, Council's Lifeguards conducted a series of information sessions on site at Corindi, presenting information on surf safety in a variety of languages.



Costa's largest mushroom farm located at Mernda in the northern suburbs of Melbourne enjoys supporting its local community through developing relationships with local schools in the City of Whittlesea.

The safety of Costa staff, whether they are long-term residents or staying in the local region on working holidays, is paramount. With team members from around 150 different nationalities many are not familiar with Australian coastal conditions.

The aim of the sessions was to provide as much information as possible to help ensure our workers' safety. It was invaluable to have been able to provide this service in conjunction with the Council Lifeguard Service and the volunteer Surf Life Saving clubs.

## Costa supports reading and literacy at St Mary's Parish Primary School in Whittlesea, Victoria

Costa's largest mushroom farm located at Mernda in the northern suburbs of Melbourne enjoys supporting its local community through developing relationships with local schools in the City of Whittlesea. One of these schools is St Mary's Parish Primary School, a semi-rural school situated on eight acres of land. In May 2018, Costa donated \$6,000 to St Mary's to assist with building the literacy skills of both the students and parent community.

These funds will be used to purchase home reading books for Years 3-6 students including multiple titles of popular childrens books, picture story books and novels for all students, sets of novels for Years 5-6 students for participation in a Book Club program for advanced readers and novels for the introduction of a Parents' Book Club to promote reading in the parent community.

These new resources will add to the literacy activity already undertaken in the City of Whittlesea, including the City giving free books to local kindergartens and picture storybooks to all parents with three to four-year-old children to encourage parents to read with their children.

Costa is proud to help our local community in any way we can and we are pleased to be able to support the St Mary's Parish Primary School's efforts to promote a love of reading and to develop literacy and learning skills.

## Guyra sporting grants

The Costa Tomato Category launched its inaugural Guyra (northern News South Wales) Community Sports Grants Program in 2018. The grants program is aimed at encouraging sporting activity throughout the local Guyra community, where Costa operates 30 hectares of tomato glasshouses.

Costa is committed to supporting sport in the Guyra region in recognition of the positive health and lifestyle benefits it provides to individual participants and the community as a whole.

The grants are available to individuals, teams and sporting clubs, and can be used to buy equipment and uniforms, build infrastructure and promote development and marketing activities.

Costa is pleased to have the opportunity to work with the Guyra Sports Council and in doing so support the Play by the Rules initiative (<https://www.playbytherules.net.au/>) which aims to make sport inclusive, safe and fair.



### A berry good start to the day

Our berry team at Corindi on the North Coast of New South Wales has engaged with a local high school to provide students with access to a healthy and nutritious breakfast.

The Orara High School's Breakfast Club provides meals to around 40 students a day and Costa supports the program, providing complimentary fresh berries on a weekly basis for the school.

Breakfast is a vital meal and according to the Australian Red Cross the benefits of a school breakfast program for students who have not had breakfast at home includes providing essential nutrition for children and adolescents, better health and learning outcomes, socialisation and increased participation and engagement at school.

### Costa raises funds for Tolga State School in Great Wheelbarrow Race

In May 2018 the Costa Berry Category Far North Queensland team took part in the 140km Great Wheelbarrow Race, raising more than \$4,000 for the Tolga State School.

The race honours the pioneers who pushed their wheelbarrows full of possessions from the Far North Queensland coast to the Atherton Tablelands during the 1870's gold rush era.

It was the first year a Costa team had been involved, and the money raised will go towards updating science kits for the science studies curriculum at the local Tolga state primary school.

The Great Wheelbarrow Race is now in its 15th year and attracts more than 40 teams, who push a wheelbarrow from the small town of Chillagoe to Mareeba, following the Wheelbarrow Way.



Source – Coffs Coast Advocate newspaper.



The race honours the pioneers who pushed their wheelbarrows full of possessions from the Far North Queensland coast to the Atherton Tablelands during the 1870's gold rush era.

# Stakeholder Group Engagement

Stakeholder group	Engagement approach	Frequency
<b>Investors</b>	<ul style="list-style-type: none"> <li>Financial reporting, 1:1 meetings and post results roadshows</li> <li>Investor conferences</li> <li>ASX announcements</li> <li>AGM</li> <li>Site/investor tours</li> <li>ESG/Sustainability reporting</li> </ul>	<ul style="list-style-type: none"> <li>Twice a year and at investors request</li> <li>Up to six per year</li> <li>As required</li> <li>Annual</li> <li>Twice a year (average)</li> <li>Annual</li> </ul>
<b>Financiers</b>	<ul style="list-style-type: none"> <li>1:1 meetings</li> <li>Financial reporting</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Annual and half year</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Capability reviews</li> <li>Performance reviews</li> <li>People first</li> <li>Costa awards</li> </ul>	<ul style="list-style-type: none"> <li>Three times per year</li> <li>Bi-annual</li> <li>Bi-monthly</li> <li>Annual</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Customer surveys</li> <li>Customer relationship management</li> <li>Site tours</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Regularly</li> <li>On request</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Contract audits</li> <li>Supplier relationship management</li> <li>Contract reviews</li> </ul>	<ul style="list-style-type: none"> <li>Initial and ongoing</li> <li>Ongoing</li> <li>Ongoing</li> </ul>
<b>Local communities</b>	<ul style="list-style-type: none"> <li>Sponsorships/donations</li> <li>Reference Groups with respect to major capital developments</li> <li>Employee engagement</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>As required</li> <li>Ongoing</li> </ul>
<b>Regulators</b>	<ul style="list-style-type: none"> <li>Site visits and inspections</li> <li>Licence requirements reporting</li> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Several times per year</li> <li>Annual</li> <li>Regularly</li> </ul>





