

# Flavorite Sustainability Report FY2023





## CEO MESSAGE

Dear Stakeholders,

I am delighted to present our third Annual Sustainability Report for Flavorite, reflecting our enduring dedication to sustainability and innovative agricultural practices. As we celebrate our 30-year milestone, we acknowledge the vision of our founders and their contribution to the Australian agricultural industry.

In the face of global challenges such as climate change and resource scarcity, our glasshouse production stands as a beacon of resource efficiency and high-quality crop yield throughout the year. This report encapsulates our strides in addressing these challenges, including pioneering drone-assisted pollination and adopting cutting-edge technologies for safer and more efficient manual tasks.

Our ongoing energy audit highlights our commitment to operational improvement, from upgrading outdated systems to exploring new energy production methods. Additionally, our community engagement remains robust, exemplified by our upcoming Maddie's Month campaign in partnership with Maddie Riewoldt's Vision and Coles, aiming to raise \$100,000 and bring our total donations to \$800,000.

I invite you to delve into this report, discovering the transformative potential of glasshouse production in revolutionising sustainable food practices. Together, let's continue fostering a greener, healthier, and more sustainable world.

Yours Sincerely

Mike Nichol  
Chief Executive Officer



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## ABOUT THIS REPORT

This sustainability report, approved for release by the Flavorite Board of Directors, covers the period from 1 July 2022 to 30 June 2023 (FY2023). The report offers an account of our contributions to sustainable development across the business in the State of Victoria, Australia.

For further information about our sustainability approach please visit our website: <https://www.flavorite.com.au>.

To provide feedback about this report, please email [reception@flavorite.com.au](mailto:reception@flavorite.com.au) or contact +61 (3) 8372 5610.

## ACKNOWLEDGMENT OF COUNTRY

Flavorite acknowledges First Nations peoples as the Traditional Owners of Country throughout Australia. We recognise the unique cultural heritage of First Nations peoples and their continued connection to lands, waters, and communities. We offer our gratitude to the Gunaikurnai, Taungurung, Yorta Yorta, and Wurundjeri Peoples and their respective Country's on which our operations reside. We pay our respects to all First Nations peoples, and to Elders past, present, and emerging leaders.





## 30 YEARS OF FLAVORITE

2023 marks Flavorite's 30 years of growing, packing, marketing & selling premium glasshouse grown fresh fruit and vegetables.

The business has seen significant growth since founders Warren Nichol and Mark Millis started the business in 1993, with 1,200m<sup>2</sup> of greenhouses built in Warragul, Gippsland Victoria, with the intention to produce the best tasting Australian grown tomatoes for 12 months of the year.

The journey hasn't been without its challenges as we dealt with weather systems, crop failures due to pest and disease, volatile markets and most recently COVID-19 where we had to remove crops for the first time due to the lack of resources to pick and manage them.

Our people, our values and our culture have created a strong backbone of resilience and continuous improvement. Our ability to adapt and keep learning has provided a platform for growth and is something we are immensely proud of. We believe in sharing knowledge with our peers and network as we want to see the industry flourish and grow.

As we reflect as a business it's not only those internal relationships that have shaped who we are today, it's our customers, suppliers, local communities and councils that we have

partnered with over many years to find solutions and encourage more Australians to eat healthy fresh produce.

We are excited by the future and the opportunities that exist all over our business with the rapidly changing technological landscape. We only have to look at the humble process of pollinating a tomato plant which used to occur three to five times a week by hitting the wires with a stick to vibrate the plant and in turn shake the pollen from the flower. These tasks are changing as we see drones enter the glasshouse providing efficient and effective solutions to these manual yet necessary tasks.

The future remains bright as we expand into new categories and leverage our world class growing capabilities to deliver products and flavours that inspire and delight our customers and consumers. This is also underpinned by our sustainable farming approach which places us at the forefront of farming systems that will feed our growing population in the years to come.





## SUSTAINABILITY AT FLAVORITE

It was the foresight of Flavorite's founders Warren Nichol and Mark Millis that saw us lead the produce industry in Australia into a new and more sustainable method of growing produce. Glasshouse and protected cropping are the benchmark of sustainable growing systems and yet, at Flavorite we recognise that there is even more we can do to improve our sustainability footprint and drive further essential change in our industry.

Unlike traditional field farming, Flavorite's glasshouse production enables us to control all aspects of the growing environment. With access to state of the art technology, extensive growing experience and a global growing network at our fingertips, we are constantly pushing into new and ground breaking initiatives. This report will illustrate the key differences between our glasshouse farming methods and traditional field farming, highlighting our ability to provide sustainable food, in a sustainable manner, for future generations.

## OUR OPERATIONS

**Warragul** – growing site (including propagation of all seedlings), warehouse and main packing facility (we pack and fulfill orders from this site)  
264 Copelands Rd, Warragul VIC 3820

**Mansfield** – growing site, warehouse and packing  
1098 Mansfield-Whitfield Rd, Mansfield VIC 3722

**Tatura** – growing site, warehouse and packing  
6130 Midland Hwy, Tatura VIC 3616

**Katunga** – growing site, warehouse and packing  
946 Numurkah Rd, Katunga VIC 3640

**Epping Market** – wholesale trading business  
55 Produce Dr, Epping VIC 3076

**Ravenhall** – Distribution centre, Head office for Marketing, Sales, Finance, Administration & Warehouse  
30/32 Riding Boundary Rd, Ravenhall VIC 3023





## Sustainability Governance

At Flavorite we have management systems in place to ensure we continue down a path of good sustainability practice. In 2020 the company established a formal Sustainability Team to advance our sustainability commitments and govern our impacts. The team is made up of cross-functional leaders within our business who contribute a wide range of skills and expertise ensuring insightful collaboration.

TEAM MEMBER	ROLE	RESPONSIBILITIES
Mike Nichol	Chief Executive Officer	<ul style="list-style-type: none"> <li>Oversees ESG strategy and approach</li> <li>Liaises with Flavorite Board to deliver key updates and approvals</li> </ul>
Chris Millis	Chief Operating Officer	<ul style="list-style-type: none"> <li>Drives initiatives focused on <b>Our Environment</b> (Climate Risk &amp; Energy, Natural Capital) and <b>Our Community</b> (Regional Growth)</li> <li>Oversees Production team &amp; major operational projects</li> </ul>
Sam Kisvarda	Chief Marketing Officer	<ul style="list-style-type: none"> <li>Drives initiatives focused on <b>Our Community</b></li> <li>Oversees Sales &amp; Marketing teams to drive customer outcomes</li> </ul>
Jim Madden	Chief Production & Innovation Officer	<ul style="list-style-type: none"> <li>Drives initiatives focused on <b>Our Environment</b> (Circular Economy)</li> </ul>
Sue Ilett	Group HR Manager	<ul style="list-style-type: none"> <li>Drives initiatives focused on <b>Our Community</b> (Regional Growth), <b>Our Business</b> (Responsible Business &amp; Modern Slavery), <b>Our People</b> (OH&amp;S, Diversity &amp; Employee Engagement)</li> </ul>
Tom Millis	Marketing & Communications Manager	<ul style="list-style-type: none"> <li>Delivers the overall sustainability strategy and holds the team accountable</li> <li>Manages timelines, meetings, initiatives, and communications</li> </ul>
Georgie Bayley	Marketing Assistant	<ul style="list-style-type: none"> <li>Supports the Marketing Manager in the delivery of the overall sustainability strategy and holding the team accountable</li> <li>Manages timelines, initiatives, and communications</li> </ul>
Key Communication Channels		<ul style="list-style-type: none"> <li>Quarterly sustainability team meetings</li> <li>Annual sustainability report</li> <li>ESG material topics &amp; initiatives plan</li> </ul>

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The targets and goals that Flavorite have set are supported by the United Nations Sustainable Development Goals (SDGs). The SDGs aim to end poverty, protect the planet, and ensure prosperity for all, offering an all-encompassing strategy to help to create a more sustainable world. The eight goals we have aligned to all relate to different aspects of our business and coincide with our sustainability pillars: People, Environment and Community. Over the coming years we aim to meet our targets and continuously strive towards becoming a more sustainable business.

UN SDG	OUR TARGET AND GOALS	OUR CONTRIBUTIONS SO FAR
 <p><b>2</b> ZERO HUNGER</p>	<p>End hunger, achieve food security, improved nutrition and promote sustainable agriculture.</p> <ul style="list-style-type: none"> <li>• Less than 2% produce waste from all crops grown on our farms</li> <li>• Donate produce that does not meet customer specifications to food recycling organisations such as Foodbank or Second Bite</li> </ul>	<ul style="list-style-type: none"> <li>• In FY2023 we have donated a total of 19,55 tonnes of fruit and vegetables which has helped provide over 62,000 meals to Australians</li> </ul>
 <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<p>Ensure healthy lives and promote well-being for all.</p> <ul style="list-style-type: none"> <li>• Maintain lost time injury frequency rate (LTIFR) below the industry norm of 11.7</li> <li>• Implement labour registration/certificate system by end of FY2024</li> </ul>	<ul style="list-style-type: none"> <li>• Achieved LTIFR of 9.04</li> <li>• Implemented monthly safety walks at each site</li> <li>• Commenced rollout of new safe operating procedure system (SOPs) across all sites</li> </ul>
 <p><b>5</b> GENDER EQUALITY</p>	<p>Achieve gender equality and empower all women and girls.</p> <ul style="list-style-type: none"> <li>• Aim for equal gender balance across the business and encourage women in leadership roles</li> </ul>	<ul style="list-style-type: none"> <li>• Workplace gender reporting conducted annually with analysis provided to the Workplace Gender Equality Agency (WGEA)</li> <li>• Equity at Work training provided to all employees</li> </ul>
 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<p>Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all.</p> <ul style="list-style-type: none"> <li>• Donate a total of \$100k to local community heroes, charities or groups located in our communities by FY2025</li> <li>• Raise \$1 million dollars for Maddie Riewoldt's Vision by FY2026.</li> </ul>	<ul style="list-style-type: none"> <li>• During 2023 we aim to raise a further \$100,000 which will bring our total donations to \$800,000 for MRV</li> <li>• Sponsored 11 community-based initiatives donating a total of \$25,000</li> <li>• 80 full time jobs will be created following the completion of new packing and logistics facility at our Flavorite Tatura site</li> </ul>
 <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Ensure sustainable consumption and production patterns.</p> <ul style="list-style-type: none"> <li>• Continue to trial and explore additional sustainable growing mediums during FY2024</li> <li>• Increase the use of biodegradable string and reusable clips across all farms</li> <li>• 75% of the total weight of prepack materials used must consist of cardboard &amp; have plastic containing 50% recycled content or higher</li> </ul>	<ul style="list-style-type: none"> <li>• Successful large-scale trials of new alternative sustainable growing mediums</li> <li>• Reduced our use of plastic packaging to 8% of our total packaging weight with only 1.32% being non-recyclable soft-plastic</li> <li>• 100% of our new branded packaging includes ARL logos</li> <li>• 95%+ of the water used for irrigation is taken up by the plant or recycled</li> </ul>



Take urgent action to combat climate change and its impacts.

- Continue trials of waste biomass sources for heating glasshouses
- Complete a company wide energy audit by December 2023
- Define and agree key actions to reduce GHG emissions

- Completed successful trials of sustainable biomass fuels for heating glasshouses
- Established carbon baseline
- Commenced company wide energy audit



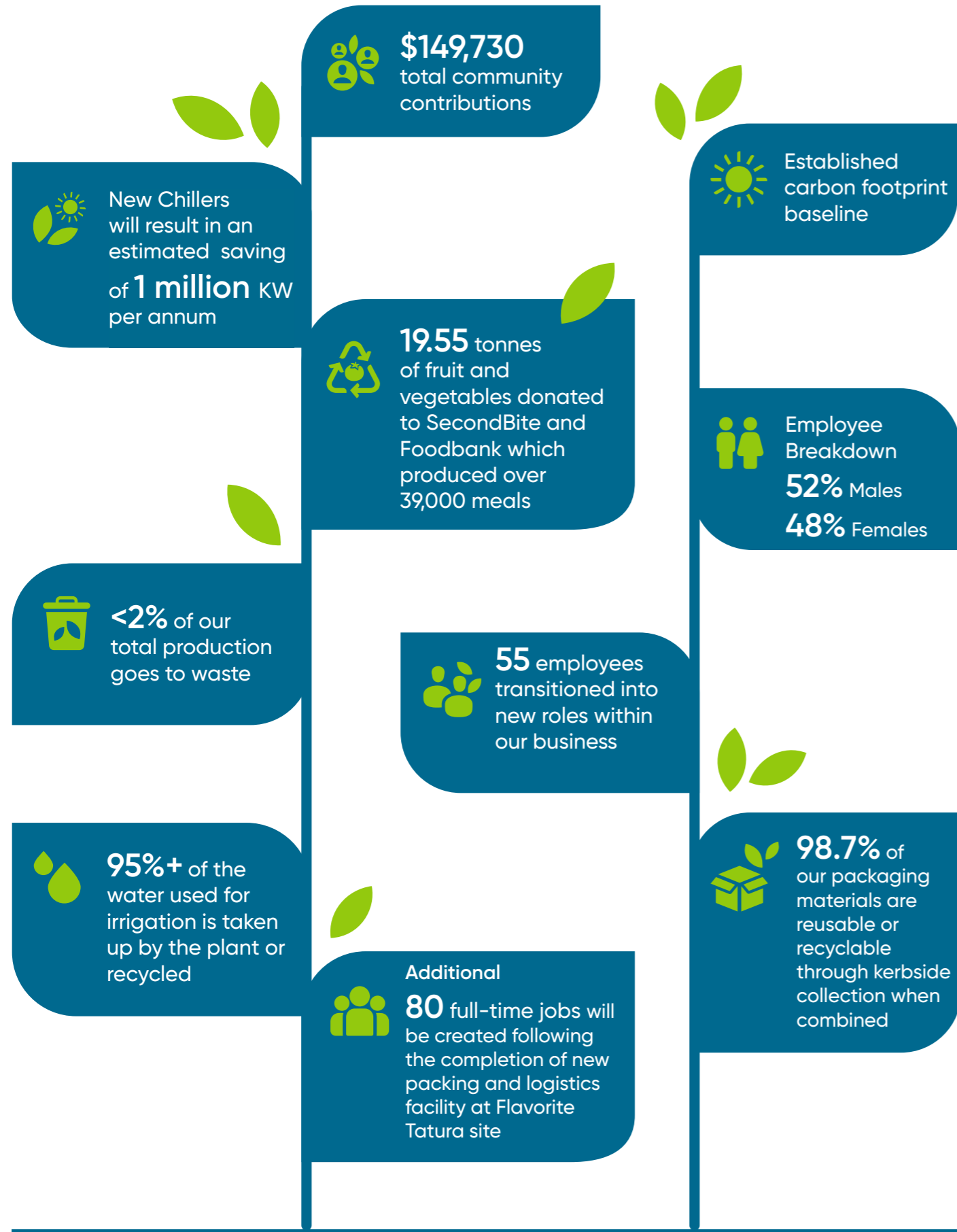
Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss.

- Increase protected cropping/glasshouse footprint at our Tatura site by 12ha in early 2024
- Build second state-of-the-art packing and logistics facility on our Tatura site for direct distribution to customer DCs (reduce food mileage)

- Maintained Integrated Pest Management (IPM) program, utilising cultural and biological controls to manage pest/insect outbreaks with zero or low chemical usage
- Commenced construction of new packing and logistics facility



# FY2023 SUSTAINABILITY SNAPSHOT



## OUR ENVIRONMENT

### CLIMATE RISK & ENERGY

Addressing climate risk in the context of energy consumption is a critical factor for the protected cropping industry. As climate change continues to manifest through extreme weather events and shifting environmental patterns, understanding and mitigating the impact of energy use within the sector is vital. In this report we detail the key initiatives the team have been working on.

#### Carbon Footprint

In FY2023 we completed a company-wide greenhouse gas emissions review to establish our carbon baseline. Measuring our carbon footprint is an important step in our sustainability journey that provides us with a greater understanding of the environmental impact of our operations. We are now better equipped to implement effective carbon reduction strategies focused on the areas of our business which have the biggest impact on the environment.

In addition to establishing our carbon baseline, we have commenced a company-wide energy audit to review alternate energy sources and develop an organisation wide emissions reduction plan. The plan details ways in which our business can reduce wasted energy, enhance the efficiency of existing processes, and establish a new energy baseload through numerous projects.

#### Goals

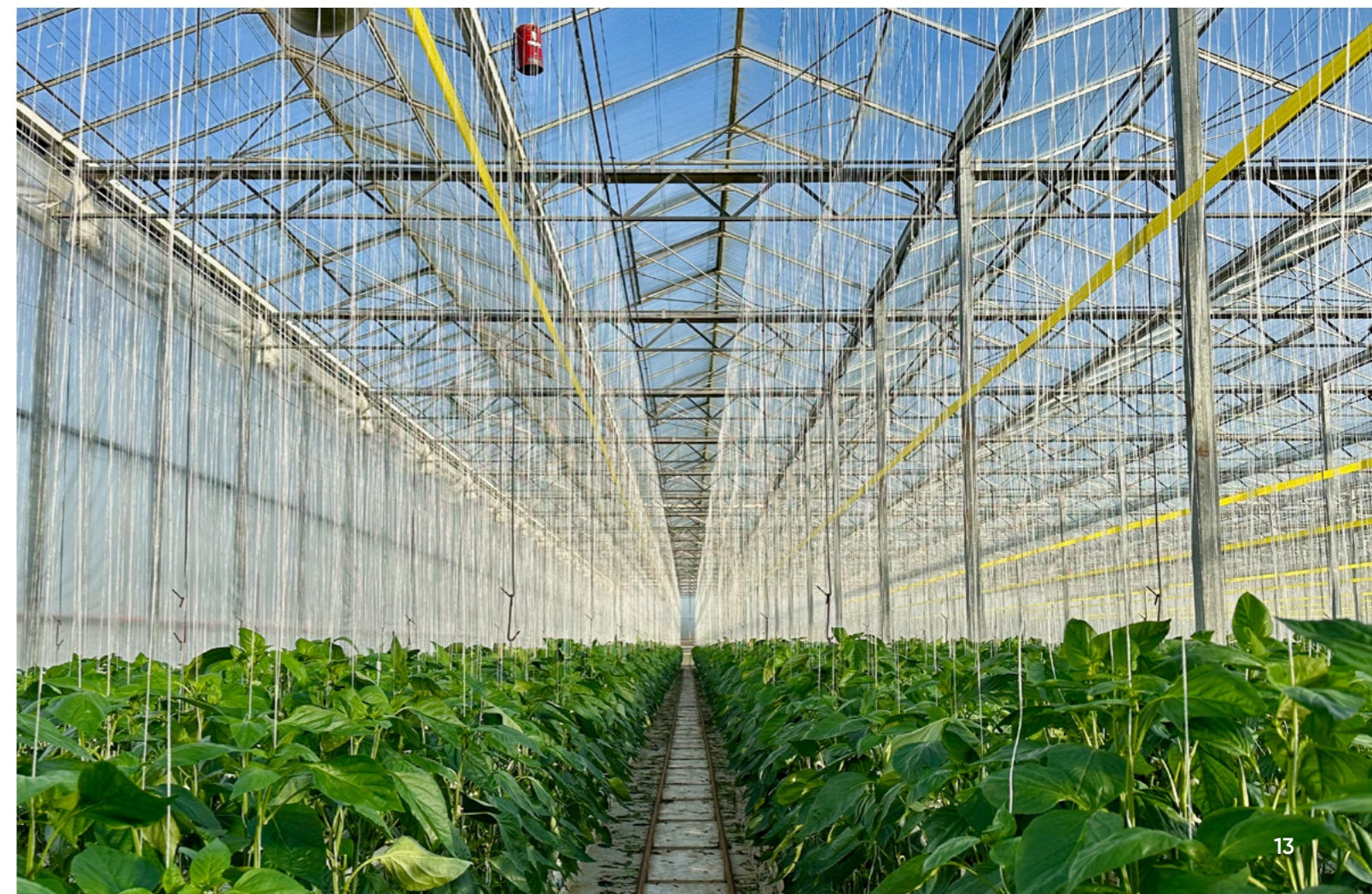
##### Energy Audit:

- Complete company-wide energy audit by December 2023

##### Glasshouse Heating:

- Continue trials of sustainable biomass fuels for heating glasshouses

Established baseline carbon footprint







Solar Panels - Mansfield



Chiller Units - Warragul

We are currently in the process of reviewing each of our site operations to identify energy saving initiatives. Outlined below are several opportunities we have already identified.

### New Equipment

The replacement of end-of-life equipment with new state-of-the-art equipment is a key strategy to significantly reduce our energy output. Older equipment often operates less efficiently, consuming more energy and producing higher levels of greenhouse gas emissions. By investing in new state-of-the-art technology we have an opportunity to achieve substantial energy savings resulting in lower operational costs.

### Chiller Units

Through the audit we have identified an opportunity to upgrade our existing chiller units at our Warragul site. Our chiller units are used to maintain optimal temperatures for our produce throughout the supply chain which slows down the ripening process and extends the shelf life of our produce to ensure it remains fresher for longer.

When evaluating the effectiveness of a chiller, we review its ability to efficiently cool or remove heat from a system. We look at the coefficient of performance (COP) ratio which indicates how much cooling is achieved for each unit of energy input. To put it simply, a higher COP means the cooling system is more efficient at removing heat. For comparison, our current chillers have a COP of 2 to 3 while the latest refrigerant systems have a significantly improved COP ranging between 8 to 10. Each year, approximately 20,500 tonne of produce

passes through the chillers, and based on our estimates, the new chillers will result in an estimated saving of 1 million kW per annum.

All future chiller installations across our other sites such as Tatura will utilise upgraded chiller technology to ensure a consistent and efficient approach is taken to this important part of the supply chain.

**62%** energy saving through chiller upgrade

### Door Openings

Due to frequent movement of employees in and out of our glasshouse doors, a loss of energy occurs. To help minimise this energy loss, the installation of air curtains is being considered. Air curtains create a barrier of air that prevents outdoor air from entering and indoor air from escaping when the door is open, helping to reduce temperature fluctuations and energy loss.

### Hot Water Pipes

A review of the insulation on all hot water pipes will be conducted in early 2024 across our four major production sites. With such a large pipe network, this evaluation will help us identify any opportunities to stop the loss of energy and improve the efficiency of our glasshouse heating systems.

### Thermal Screens

Thermal screens are an effective physical barrier in the glasshouse that helps to reduce heat loss during the cooler months and protects the top of our plants from burning during summer. Currently, all of our glasshouses are fitted with thermal screens and we are evaluating the use of extra screens to increase thermal savings. This investment will contribute

significantly to the reduction of our heating expenses and greenhouse gas emissions.

### Compressor Pressure:

We understand that every little bit counts so we are also reviewing the pressure output of our compressors. By fine-tuning pressure settings to match all unit specifications, we reduce energy usage, minimise air leaks, and extend the life of our compressors. This will result in a saving of approximately 5,000kW per year.

### Solar Panels

During FY2023 we produced more than 735,000 kWh of electricity, accounting for roughly 6.5% of our overall energy consumption. We are currently exploring options to expand our use of renewable energy, including the installation of solar panels on our new packing and logistics facility in Tatura.



Scan or click QR code to learn about glasshouse technology.



### Glasshouse Heating

Across our four farms, we use two different approaches to heating our glasshouses; gas boilers and biomass boilers. As part of our company-wide energy audit, we are reviewing alternate heating solutions.

### Gas

The Co2 by-product generated by our gas boilers is captured and pumped back into the glasshouse to help increase photosynthesis and boost production. Balancing the reduction of gas consumption due to rising costs and environmental impacts, while maintaining production levels through utilising the Co2 by-product generated by our gas boilers, is a challenge our team are working on.

Our team are exploring alternative heating options such as geothermal systems, co-generation and tri-generation technologies.

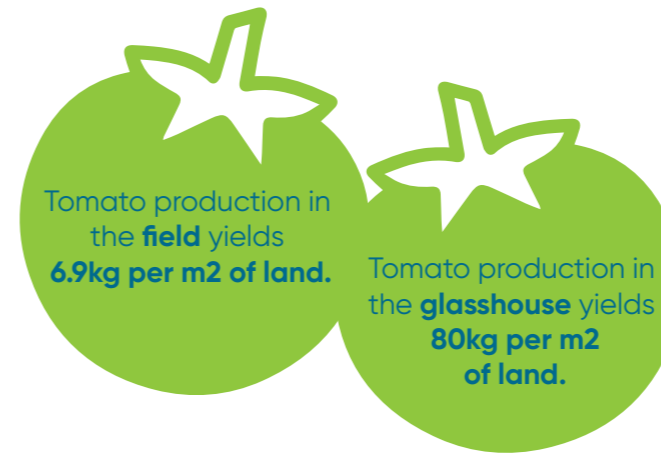
Ultimately, our goal is to reduce our gas baseline and energy costs without compromising production levels.

### Biomass Trials

The biomass boilers at our Mansfield site burn wood chips to generate heat for our glasshouses. However, due to escalating costs and availability of woodchips, we are currently exploring alternative sustainable biomass products to burn. This includes waste materials which can be diverted from landfill and turned into energy.



Scan or click QR code to learn about our glasshouse heating system.

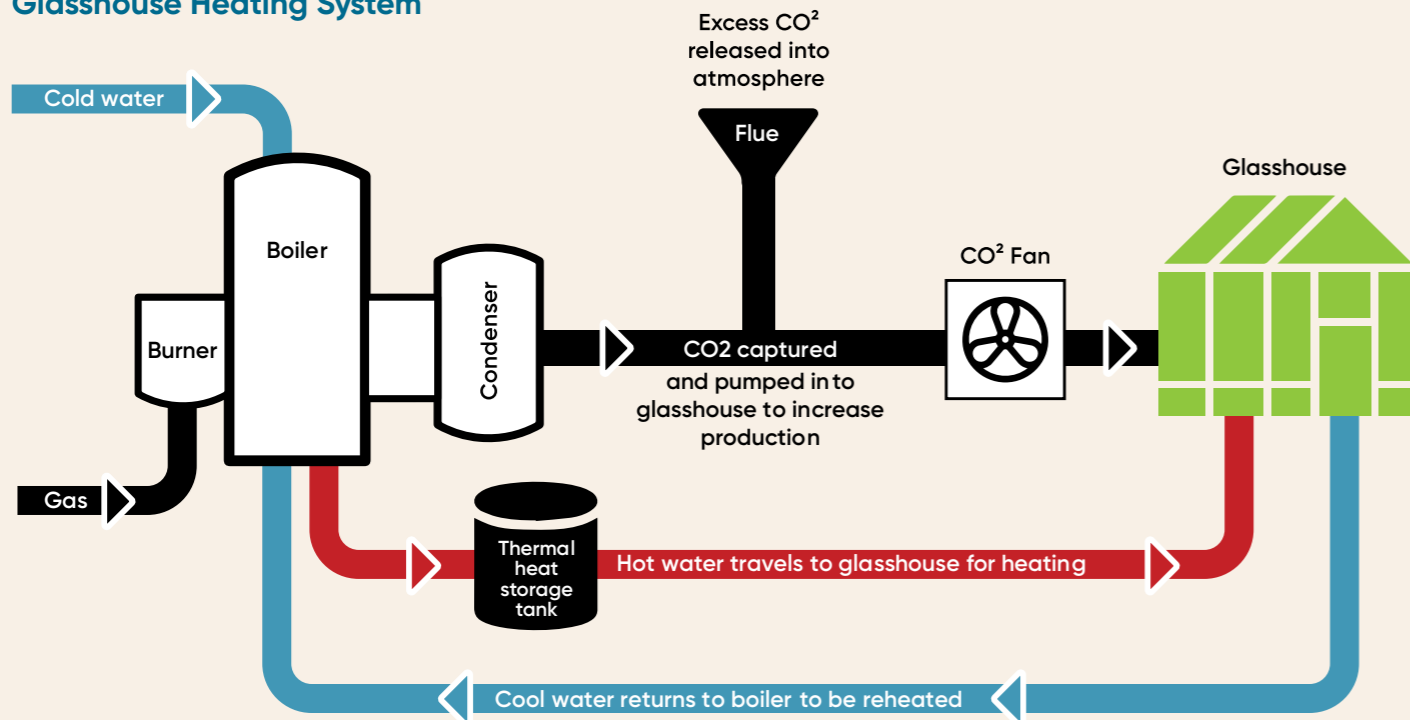


When comparing glasshouse production to field production, glasshouse farming results in greater production efficiency. For example, tomato production in the glasshouse yields 80kg per m2 of land compared to field tomato production which yields 6.9kg per m2 of land (Smith 2021).



Scan or click QR code to learn about the advantages of growing in glasshouses.

### Glasshouse Heating System



### NATURAL CAPITAL

Protecting our ecosystems, biodiversity, and natural resources must form part of the way we do business. Our team are consistently exploring new technology and resources to minimise or stop any impact to the environment through our farming practices.

### Glasshouse vs Field

The glasshouse growing environment allows us to maximise our natural resources whilst protecting the environment around us. At Flavorite, we have access to state-of-the-art technology, extensive growing experience, and a global growing network, empowering us to constantly push into new, ground-breaking initiatives and drive innovation within the glasshouse protected-cropping industry.



### Tatura Glasshouse Build

During FY2023 we commenced construction of two new 6ha state-of-the-art glasshouses at our Tatura site. During March 2023 the team at Tatura experienced a short but severe weather system that provided gale-force winds, large hail, and flash flooding. The storm impacted only one of the glasshouses under construction as it was at a vulnerable framing stage. The other glasshouse had begun glazing the smaller glass panels on each end of the roof structure, providing greater strength to withstand the brunt of the storm.

Once the storm had settled, the site was quickly cordoned off and made safe to ensure no one could enter the site until further assessments could be made. Flavorite notified both Worksafe and the insurance company of the damage. Within two days of the storm, both parties had provided clearance to commence make-good works, i.e., demolition of the damaged

structure, ordering new materials, and the structural assessment of the remaining frames to ensure they would be solid and safe use in the long term.

No injuries were sustained during or after the storm, and the builders had maintained their workforce in line with Flavorite's safe working procedures in preparation for the weather system they could foresee.

This additional 12 hectares of production will provide a further 8,500 tonnes of produce and create 120 full-time jobs in regional Victoria. This weather event demonstrates the importance of Glasshouse grown produce to ensure consistent and high-quality supply of fresh fruit and vegetables. Without our glass structures, our crops would have been decimated and all within a 15-minute period. Instead, there was no impact to our normal production from the rest of the site and only a 3-month delay to the two glasshouse builds.



## Drone Technology

Technological advancements in the agricultural industry are providing new approaches to manual and repetitive tasks. Whilst some have significant impacts to our labour demands others are also making tasks safer and more efficient.

At Flavorite we are currently trialling the use of drone technology for pollination in one of our glasshouses. Pollination is a crucial step in the growing process, it is a labour-intensive and a time-consuming task that is undertaken 3 to 5 times a week for tomato crops for example. The use of advanced drone technology provides an opportunity

to increase efficiency and productivity in our glasshouses. The trial has presented some challenges such as fruit setting concerns and drones struggling to read QR codes due to sunlight, however, we are currently working to overcome these issues as the trial progresses.

On the 30th of May 2023, we collaborated with Protected Cropping Australia to organise an industry open day. We invited over 30 growers and trade members to our farm to learn about drone pollination and watch a demonstration.

## Bio Pesticides

During FY2023 our IPM team focused on Bio Pesticides (beneficial micro-organisms) and establishing a presence in our root systems. These micro-organisms naturally suppress pathogens that are harmful to crops. This initiative is an ongoing project, and the key challenge is maintaining the population of these beneficial micro-organisms around the roots of our plants.

## Bee Hives

At our Warragul farm, we rely on natural pollinators such as bees to pollinate our blueberry crops. During the flowering season, ensuring the presence and activity of bees is extremely important. We have recently introduced over 90 beehives to our farm.

One of the main challenges that we face is that bees do not typically show a strong preference for blueberry flowers and tend to forage for pollen elsewhere. To address this issue and enhance bee activity within our blueberry crops we provide supplemental food sources for the bees within their hives. This includes adding extra pollen to their hives and installing sugar syrup feeders. In addition to this we also use pheromone attractions to encourage the bees to stay and pollinate our blueberry plants.

We are committed to creating a more bee-friendly environment in our blueberry crops. In the future we plan to incorporate additional bee-attracting plants such as lavender, sage and basil within our blueberry area. These nectar-rich plants will provide further incentive for the bees to remain in our blueberry areas.

Creating an ideal environment for bees not only results in happy and healthy pollinators but also plays a pivotal role in the success of our blueberry production.



## INTEGRATED PEST MANAGEMENT

At Flavorite, our Integrated Pest Management (IPM) program enables us to grow our crops with minimal pesticide usage. This approach includes utilising cultural and biological measures that help reduce the population of harmful pests in our glasshouses. Our optimal glasshouse growing environment also serves as the perfect environment for harmful pests and if we don't take preventative action they can cause significant damage to our crops.



**\$213,000**  
invested in  
biological pest  
control



Blueberries - Warragul



Scan or click QR code to learn more about our IPM approach from our Group IPM Co-Ordinator Karen Swanepoel.

## WATER

Water is one of our most important resources and is essential for the growth, health, and productivity of crops in the glasshouse. Effective water management and irrigation techniques are crucial for ensuring that plants receive the right amount of water at the right time, leading to successful cultivation and higher yields.

Each of our growing sites are equipped with state-of-the-art technology that enables us to measure and monitor water usage. We aim for 95%+ of the water we use for irrigation to be taken up by the plant or recycled. During FY2023 across our four growing sites, we used a total of approximately 814 mega litres of water.

Our crops receive water through an individual dripper system, this allows us to control the exact amount of nutrients each crop variety

receives. The glasshouses are fitted with a gutter system which collects all run-off water from our crops. This run-off water is treated through a UV sterilisation system, which ensures the water is cleaned of any bad microbes or bacteria and enables the water to be recycled back to the crops.

Due to the advanced technology used in glasshouses for measuring, monitoring, and water delivery, producing 1kg of tomatoes through glasshouse growing utilises five times less water than traditional farming techniques (Smith 2021). Flavorite's efficient water technology enables us to save, re-use and recycle water, minimising the need to rely on external water sources.



Scan or click QR code to hear from our Head Grower Will Millis about how we use water at Flavorite.



95%+ of the water used for irrigation is taken up by the plant or recycled

Producing 1kg of glasshouse grown tomatoes requires **22** litres of water

Producing 1kg of field grown tomatoes requires **116** litres of water



## Goals

### Growing

- Continue to trial sustainable growing materials
- Expand metal clipping trials across different varieties

## GROWING MATERIALS

Our growing team have been exploring and trialling alternative growing mediums that are sourced in Australia and are environmentally friendly. Throughout FY2023, we completed several trials experimenting with various growing mediums assessing how the crops responded to each different media. Overall, the trials were positive, and we intend to continue additional trials during the FY2024 season.

### Metal Clipping

Last year we trialled metal clipping in our tomato crops. The trial was successful providing us with a biodegradable alternative to plastic. This year, we have implemented 20.6ha of metal clipping across our entire tomato production at our Warragul farm. During FY2024 we will continue to conduct metal clipping trials and expand these trials across different crop varieties.

### Reusing Growing Mediums

Currently, the majority of our plants are grown in rockwool. Rockwool is made from molten rock which is heated to very high temperatures and then spun into cotton-candy like fibres and compressed into cubes. With the aim of cost savings and waste reductions, the team conducted a trial to determine if we could use the same rockwool slabs for multiple growing seasons. With our initial trials proving positive, further trials will be conducted to understand the benefits and potential risks of reusing rockwool for multiple plantings.

### Biodegradable Growing Materials

Our team have also been trialling biodegradable growing materials in our glasshouses to reduce our environmental impact. Trials of biodegradable string, clips and arch supports were conducted during FY2023 in our tomato and capsicum crops. Whilst we have seen some positive results, it is important for our team to ensure the biodegradable alternatives are durable and can withstand the demands of a 12-month crop cycle. Further trials will be conducted throughout FY2024.



Metal Clips

Biodegradable String & Clip

## WASTE

At Flavorite we are dedicated to reducing waste and implementing recycling programs across our various waste streams.

### Food Donations

We pride ourselves on growing the most premium produce with minimal waste targeting <2% of produce waste. We regularly donate boxes of fresh fruit and vegetables to local food relief centres and any produce that does not meet our customer specifications is donated to food recycling organisations such as Foodbank and Second Bite. During FY2023 we donated a total of 19,550kg to Foodbank and Second Bite which has helped provide over 39,000 meals to Australians.

### Recycled Uniform

As part of Flavorite's rebrand, employees were issued with new uniforms with our updated branding and Flavorite logo. To help reduce textile waste and ensure Flavorite uniforms didn't end up in landfill, we partnered with UPPAREL to give our old Flavorite uniforms a second life. UPPAREL aim to eradicate textile waste from landfill buy collecting, sorting, reusing and recycling textile waste into material that can be used for packaging, signage, homewares and more.

## New Machinery

Our investment in new grading equipment for our packing shed has played a crucial role in reducing produce waste. The grading technology allows our team to identify and separate fruit that does not meet customer specifications and ensure it goes to the right customer channels. Not only does this help us ensure only the best premium produce reaches our customers, but also helps to sort our second grade produce for donations and door sales.

### OUR WASTE INITIATIVES



**drumMuster**

We partner with the drum master council service to collect empty chemical containers to prevent potentially contaminated containers getting into the mainstream recycling process.



**Buying in bulk**

Purchase fertiliser in bulk to reduce the amount of plastic or mesh bags going to landfill.



**Reuse**

- Successful trial completed reusing wooden stakes for capsicum seedlings.
- Commenced trial of reusing arch supports in tomato crops.
- Commenced trial of reusing rockwool slabs for multiple growing seasons.

## CIRCULAR ECONOMY

At Flavorite we understand the many challenges businesses face in developing circular economies and increasing the use of recyclable and renewable materials. When we focus on our packaging footprint, we are really proud of the progress we have made and as you can see, we are making a difference. There are so many ways businesses can have an impact in this space and here are some examples of where we are spending our time and energy.

### Recycled Content

98.7% of all our packaging materials are reusable or kerbside recyclable when combined. This means that only 1.3% of our existing packaging range consists of soft plastics which fall under the new ARL guidelines of "check locally", although we know we have more to do to stop these materials going to landfill. We are working to reduce this percentage with the ultimate goal of ensuring 100% of our packaging materials are either recyclable or reusable.

One of our packaging objectives is to ensure 50% of the total weight of pre-packaging materials purchased by Flavorite is made of recycled content. Currently, 76% of the total weight of pre-pack material is made of recycled content, and we are actively working to increase this percentage further.

### Manufactured in Australia

It is important to our business to support local Australian businesses where possible, we aim for 50% of our pre-pack packaging content to be manufactured in Australia. However, we acknowledge that in specific circumstances, we do have to source packaging from overseas. Currently, 93% of our pre-pack packaging by weight is manufactured here in Australia.

### APCO

In FY2022 we established a goal for our team to include APCO ARL logos on 100% of our packaging by the end of 2023. We are pleased to share we are on track and all Flavorite packaging will not only include our new and refreshed branding, but it will also feature the applicable ARL logo for that packaging

## Packaging Targets

### Packaging

- 75% of packaging to be made from cardboard
- 75% of total weight of pre-pack materials must contain 50% recycled content
- 50% of packaging materials manufactured in Australia

material to help consumers dispose of the packaging correctly. We have also been able to include the latest update from APCO with the revised ARL logo which incorporates a "Check Locally" option for soft plastics. Whilst our goal is to eliminate soft plastics all together, this is just another way we can support in finding local solutions to some of these problems.

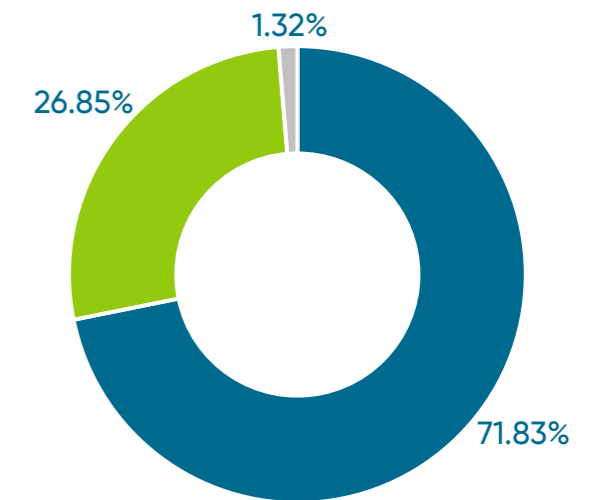


98%

of our packaging materials are reusable or kerbside recyclable



### Flavorite Packaging Materials FY2023



■ kerbside recyclable ■ reusable ■ non-recyclable



### Cucumber Plastic Reduction

Over the last 12 months we have been exploring several ways to eliminate the single use shrink wrap on our continental cucumbers. The plastic shrink wrap used is one of the main contributors to our soft-plastic waste. Whilst we want to eliminate the soft plastics used, we also don't want to create a food waste issue by not protecting the cucumbers which have

a delicate skin and can be easily damaged during transportation and handling.

Our team is actively exploring alternative packaging materials, such as plant-based and biodegradable options to replace the current plastic shrink wrap. We are optimistic about finding a solution as new technology and packaging options become available.



### New Packing & Logistics Facility in Tatura

Construction of a new 12,000m2 state-of-the-art packing and logistics facility has commenced at our Tatura site and is set to be completed in early 2024. This new facility will create a further 80 jobs in regional Victoria and provide us with the ability to pack our full product range grown at our northern sites in Tatura, Katunga and Mansfield. We are excited to develop an

effective and very efficient footprint with a brand new facility and utilising our 30 years of experience in packing and supplying premium fresh produce. This investment will not only improve our packing speeds and quality, it will reduce our food mileage from our Northern sites by approximately 443,000 kms per annum.

### OUR PEOPLE

#### HEALTH & SAFETY

Our responsible business practices extend beyond environmental concerns to encompass the well-being and safety of all stakeholders. We recognise that fostering a sustainable future requires a comprehensive commitment not only to environmental conservation but also to the health and safety of our employees, customers, suppliers, and the communities in which we operate. When we reflect on the last 30 years, it's the people who have made Flavour who we are today, they are our most important asset, and we must support and take care of them.

Our Health and Safety statement, a core component of our Sustainability report, reflects our unwavering dedication to creating a workplace and business operations that prioritise the physical and mental well-being of all individuals, while mitigating risks and minimizing harm.

#### Goals

##### Health & Safety

- Implement labour registration system by end of FY2024
- Maintain LTIFR below industry norm of 11.7
- Maintain moderate injuries below 3 per reporting period





## FY2023 Health & Safety Initiatives

During FY2023 we undertook several safety initiatives with the help of our newly formed safety team.

- Commenced conducting monthly safety walks across each department. By conducting routine safety walks, our goal is to take a proactive approach in identifying and addressing potential risks. This process not only allows us to continuously enhance health and safety measures but also provides team members with an opportunity to voice any concerns they may have.
- Developed a safety communications system which the team have started using. This system enables the OH&S team to distribute regular safety alerts to all employees via email and noticeboards located across our sites.
- Introduced a focus on posture, as part of manual handling, as this has been the

underlying cause of many manual handling related incidents.

- Currently introducing new OH&S Management software to all sites to effectively manage incidents and injuries, investigations, risk assessments, audits and contractor management. This software will substantially reduce the administration required in recording incidents, maintaining registers, reporting and reviews, provides "live" information and oversight of all sites to the leadership team.
- There have also been further developments in Flavorite's People Management system which will improve the management of training and compliance records and ensure employees can only conduct tasks in which they are trained. Further to this, the team have improved employee document control and approval processes across all sites.

## EMPLOYEE ENGAGEMENT

Whilst we like to think we create a workplace our people like coming to and feel valued, it's important we check in with our employee base every year through our Employee Engagement Survey to understand their level of engagement. We know there are always things we can improve, and our areas of focus will shift as our diverse workforce evolves. We believe that by investing in our employees, we not only promote individual growth but also ensure the long-term success of our business.

We target an employee engagement participation score within the range of 60%-79%. Industry standards indicate that a score of 50% represents an engaged workforce. At Flavorite, we are dedicated to developing new programs and incentives each year to improve employee engagement. During FY2023, our

employee engagement survey participation rates increased to 69%, up from 67% in FY2022. Further to this, in FY2023 our company-wide net promoter score improved by 47%. We are determined to continue to improve and increase these scores in the coming years.

Over the last 12-18 months, we have seen a total of 55 employees move into new roles across our business realising their potential and taking on greater responsibility as part of their career path. Internal career growth will continue to be an ongoing focus for our team moving forward, as this long term knowledge and experience drives our competitive advantage.



**55** employees transitioned into new roles within our business



**69%** employee survey response rate



**DIVERSITY**

At Flavorite we are committed to maintaining a workplace culture that is inclusive and supportive. We are always striving to provide our team members with equal access to benefits, resources, and opportunities to develop their capabilities.

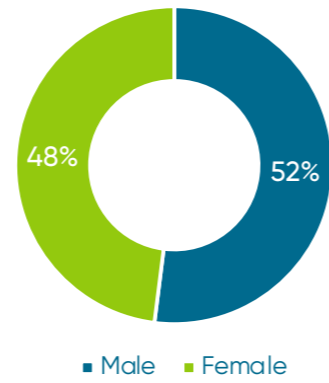
With employees from over 30 countries working in the Flavorite business, we want to equip our people leaders with the skills and capabilities to deal with differing cultures and views. As a result we are planning to implement a Cultural Awareness Training program for our leaders.

Our leaders cast a big shadow and their approach impacts people throughout our organisation. By creating a consistent approach and common language we can all support each other no matter the department we work in.

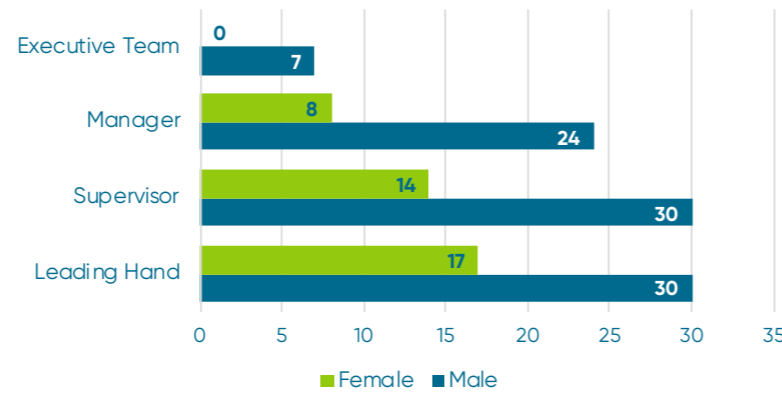
**30+**  
different nationalities.

**30%**  
of employees in leadership roles are female.

**Total Business Gender Split**



**Leadership Gender Split**



**Nina Morozenko  
Warragul Head Grower**



countless questions. It was important for me to not only understand how to do my job, but to understand why certain practices were in place and if there was a better way of doing things.

As my knowledge of plants and passion for horticulture developed, my career trajectory evolved. I progressed from a Growing Leading Hand to a Grower, Senior Grower, and just recently I was honoured to become the Head Grower at Flavorite's Warragul site.

In 2007 I moved to Australia and started my career at Flavorite. From day one, my work in crop care ignited a passion for horticulture and glasshouse production. With no prior experience in the horticulture industry, I started managing a section of tomato crops, learning all about crop care and integrated pest management.

In my role as a leader, I have recognised that caring for our team is equally as important as caring for our crops. Open and honest communication within our team is essential, as is providing training to foster personal and professional growth.

In 2009, I moved into a general hand role within the irrigation department. During this time I fell in love with the plants and the technical side of growing. As a newcomer, I was known for asking

I have worked at Flavorite for 16 years and watched my career grow in line with the business' growth. I am excited to develop into my new role as Head Grower at Warragul and look forward to what lies ahead in the future at Flavorite.



**Let's Learn English Classes**

Flavorite partnered with a local Community House in South East Gippsland to offer our employees the chance to develop their English language skills. The 'Lets learn English' program was sponsored by Flavorite with the aim to help improve participants ability to speak, read and write in English.

We had a positive response from our employee base with more than 30 employees actively engaged in the program and wanting to enhance their English skills. Given the positive outcomes

of the first 'Lets Learn English' program, the course is now being offered on an ongoing basis to Flavorite employees.

Not only does the course provide our employees with the opportunity to improve their English skills and gain confidence in the workplace, it also offers an avenue for social interaction and the opportunity to build meaningful friendships in the community. The program creates an environment where team members can come together, share experiences, and connect on a personal level.





## OUR COMMUNITY

### COMMUNITY CONTRIBUTIONS

#### Maddie's Month

This year marks eight years of Flavorite partnering with Coles to support Maddie Riewoldt's Vision (MRV) in raising funds towards finding a cure for Bone Marrow Failure Syndromes (BMFS).

Every three days, an Australian is diagnosed with a Bone Marrow Failure Syndrome. Distressingly, most of them are children and young adults, and 50% will not survive. Patients can spend years enduring bone marrow transplants, regular blood transfusions and ongoing treatments, while 15% will develop related conditions such as blood cancer. As these conditions are rare, many patients and families feel overwhelmed, isolated and in need of help when they receive a diagnosis and throughout treatment. When patients don't respond to existing therapies there aren't many options available, which makes campaigns like Maddie's Month essential for finding new treatments and ultimately a cure.

We aim to raise another \$100,000 this year, bringing our total donations to \$800,000. The Maddie's Month campaign runs exclusively through Coles Supermarkets during November, and this year, 15 cents from every specially marked pack of Flavorite produce sold will go towards finding a cure for BMFS.

### Join the fight against Bone Marrow Failure Syndromes!



### Goals

#### Community

- Donate a total of \$100,000 to local community groups through our Regional Matters sponsorship program by FY2025
- Raise 1 million dollars for Maddie Riewoldt's Vision by FY2026

Australians purchasing their Flavorite tomatoes and capsicums at Coles has had a huge impact already. Funds from previous Maddie's Month campaigns have:

- Supported the launch of the very first Australian Bone Marrow Failure Biobank to collect and store tissue samples that are critical for research into new treatments for Bone Marrow Failure Syndromes
- Funded a 3-year Research Fellowship at the Peter MacCallum Cancer Institute that made discoveries in the search for novel treatment avenues.
- Funded an inaugural Fiona Riewoldt Nursing/Allied Health fellowship.

The money raised over the last eight years has had a direct impact on the lives of Australians living with BMFS.



**\$149,730**  
total community contributions

### Ride 2 Be Wise - Pat Cronin Foundation

During FY2023, Flavorite proudly supported the Pat Cronin Foundation's Ride 2 Be Wise challenge. Our Chief Wholesale Trading Officer, Grant Nichol, along with his great friend Rick, embarked on a 1,500km bike ride from Alice Springs to Darwin with the goal of raising \$100,000 for the Pat Cronin Foundation.

The foundation is dedicated to providing education, strategies and resources to empower young people, working together to stop violence and end the 'coward punch'. With the support of many, Rick and Grant successfully raised \$126,000, which will enable the Pat Cronin Foundation to expand its 'Be Wise' education program to all states across Australia, helping to spread their message and end the coward punch.



Scan or click QR code for Ride 2 Be Wise ABC News story.



### Sponsorship Approach

Our Regional Matters program aims to provide our workforce with an opportunity to nominate local community groups or charities that they would like Flavorite to support. These sponsorships are on a grass roots level and are driven by our employees, of which many live in the local area. Our FY2023 sponsorships are outlined below:

- Warragul Community House
- Baw Baw Food Relief
- Drouin Ficifolia Festival
- Mansfield Football & Netball Club
- Mansfield Basketball Association
- Tolmie Sports Association
- Fryers Street Food Festival
- Tatura Football & Netball Club
- Moira Miniature Rail Wunghnu
- Numurkah Football & Netball Club
- Strathmerton Football & Netball Club

## REGIONAL GROWTH

Over the last two years Flavorite has completed the construction of two new glasshouses adding a further 10 hectares of glasshouse production to our footprint. This expansion included a new six-hectare glasshouse build in Tatura, which produces a further 4,000 tonne of tomatoes a year and increased our employee base in the Goulburn Valley region from 110 to 170 employees.

Since then, construction of two new six-hectare glasshouses have commenced on our Tatura site, both due for completion in early 2024. In addition to this, a new 12,000m<sup>2</sup> state-of-the-art packing and logistics facility is also currently under construction and set

to be completed in early 2024. This major expansion at our Tatura site will provide an additional 200 job opportunities within the Goulburn Valley region.

We have exciting plans to grow and expand our overall footprint beyond 100 hectares over the next five years, and the Goulburn Valley region will play a key role in this expansion.

At Flavorite we aim to offer people long term career opportunities and a testament to this is the number of employees with service over 10+ years. 10 to 15 years (19 people), 15-20 years (16 people) & 20 years or more (14 people).

## OUR BUSINESS

### RESPONSIBLE BUSINESS AND GOVERNANCE

Responsible business practices encompass a wide range of principles, including ethical conduct, environmental stewardship, social responsibility, and good corporate governance. These principles not only contribute to the well-being of communities and the planet but also lead to long-term business success and resilience.

At Flavorite, we condemn any behavior that might deviate from our values, as we recognise that the success of our operations relies on a strong corporate culture as much as it does on our technical and economic capabilities.

### Goals

- Complete leadership training and toolbox talks relating to:
  - Ethical communication training (annual)
  - Mental health
  - Modern slavery
  - Difficult conversations
  - Performance management
  - Equity at work



Flavorite Tatura Site

Flavorite operations are underpinned by our company values:

### Passion

We are passionate about Flavorite, and we are dedicated to sourcing and marketing high quality, fresh produce, in partnership with our suppliers.

### Teamwork

We consider everyone at Flavorite as our extended family and every member of our team is important. We share ideas and solve problems collaboratively.

### Leadership

We lead ourselves and we lead others to deliver our vision.

### Reliability

We can be relied upon to do what we say we will do and what we need to do.

### Ethics

We have the highest ethical standards and value honesty, responsibility, and accountability in all we do.

To prevent business misconduct, we have formalised our approach in several companywide policies which lay out the standards and responsibilities our employees must uphold:

- Code of Conduct
- Grievance Policy
- Equity at Work Policy
- Recruitment Policy
- Whistleblower Policy
- Workplace Privacy Policy
- Human Rights Policy

These policies are embedded, shared, and updated on an annual basis. All employees receive information relating to our policies during their initial inductions and through annual employee training.

Further to this our board of directors play a crucial role in long term strategic decision making, financial stewardship, risk management, policy development and legal

and regulatory compliance. Our independent board directors from Roc Partners provide another level of scrutiny on the decisions we make to ensure they are aligned with best practice organisations.

Flavorite also play an important role in the biosecurity measures that protect our fresh produce industry in Australia. Our long-standing relationships with global seed companies ensures the seed we use to grow our crops is rigorously tested and certified to meet the Australian Boarder Security Standards.

Further to this seed testing we work with seed companies in their efforts to create varieties that are resistant or tolerant to certain diseases or pests. We also maintain very strict hygiene and sanitation practices in our glasshouses and plant nursery. This includes disinfecting tools, equipment, and hands to prevent the transmission of viruses or pest outbreaks.



#### Flavorite Board of Directors

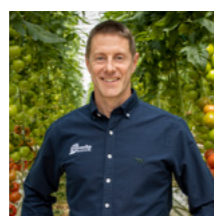
**Mike Nichol**  
Chief Executive Officer  
(Flavorite)



**Brad Mytton**  
Managing Partner  
(Roc Partners)



**Chris Millis**  
Chief Operating Officer  
(Flavorite)



**Frank Barillaro**  
Partner  
(Roc Partners)



#### MODERN SLAVERY & SUPPLY CHAIN

Flavorite's growing footprint means we are required to source inputs and resources from many different suppliers such as seed companies, recruitment agencies, and packaging companies. Where possible, we have engaged Australian suppliers and contractors from neighbouring regional areas. However, there are times when we must extend beyond Australia for certain products and services. We conduct business in an ethical manner and strive to safeguard human rights within our own operations and extended supply chains.

Our Human Resources department are actively engaged in developing and implementing a policy focused on ethical practices within our business. We produce an annual report detailing our strategies and action plans. To further these efforts, a training module has been integrated into our leadership program, benefitting approximately 60 employees. This approach will enhance awareness and vigilance, enabling us to effectively address any potential ethical concerns that may arise.



#### Seasonal Worker Program

Our business heavily depends on seasonal workers each year during the summer months when we reach peak production. Historically, we have worked with labour hire agencies to facilitate the recruitment of these employees, which has worked well. However, as part of our evolving strategy we have recently established the 'Flavorite Seasonal Worker Program'.

At Flavorite, our preference is to directly employ team members. We have recently begun the process of transitioning from

recruitment agencies to our own internal recruitment program and hope to have this completed within three years. This transition will streamline our operations, allow us to build direct relationships with employees, and provide us with substantial cost savings.

Further to this, we can ensure the appropriate certifications are provided and the talent pool we are sourcing from is ethical and supports the human rights of those looking for work.



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1837

