

HALLS

— EST 1890 —

OUR CONSCIOUS COMMITMENT TO SUSTAINABILITY

Environment, Social and Governance Update
Financial Period ending February 2023

Avocado with Heart



FROM THE CEO'S DESK

It is my pleasure to present our 2023 ESG Report which follows our interim report of 2022. Our theme “Avocado with Heart” spoke to our intentions as we delivered against our objectives. Our teams understood each of the areas well and gave their very best to help protect the environment and the people that enable our trade. This message is therefore to thank all our staff members and stakeholders around the globe for each and every effort made to show our care.

Over the last three years, Halls Fresh Produce dedicated its efforts to meeting the goals that were set in 2020. We have done well to tell our story based on the limited resources we have. We aligned with the UN Sustainable Development Goals and learned how challenging it was to meet these objectives in a year affected by the Russian war, a shipping crisis and natural disasters. We at Fresh Produce are thankful for the lessons and we remain committed to staying the course.

Our direction is changing fast. Through growing our Responsibly Sourced network we aim to partner with producers who accept that in order to continue producing our products, a high level of care must be given to how we farm, how we distribute and how we collaborate. Throughout this value-chain, we identify material matters and set targets that stimulate us and our partners to demonstrate our commitment to preserving this world for future generations.

Our achievements to date, as detailed in this report, demonstrate our commitment to making our actions count.

As we head into the future, our strategy has clearly identified the need for our business to grow but not at all costs. We have a responsibility to impact lives positively and leave a lasting and positive legacy. We have therefore identified 5 key areas, in line with the Halls Group, where we believe that in the medium term, we will continue to make a meaningful difference to those around us.

Each and every member of the Halls Fresh Produce team will be expected to join hands to help realise our objectives. As new standards come into force and verification tools become available, Halls will continue to improve data and record keeping systems, enabling assurance providers to concur with our assertions. This will take our efforts to another level and I invite all our stakeholders to work with us to build this capacity.

Lastly, I want to encourage innovation as we embark on the next 5 years. We recognise this journey for both its excitement and its challenges and will make it a part of our day to day deliverables. I am encouraged by the energy shown to date and I look forward to the best results yet.



**Chief Executive Officer
Fresh Produce**

Ayanda Kanana

ABOUT US

Halls is a trusted fresh produce supplier, with a specialised focus on avocado. Still family owned, we are vertically integrated from tree to shelf with an operational footprint stretching across South Africa, Europe and China. Long term, purposeful sustainability for us and our stakeholders lies at the heart of our business and in our vision for the future.

We believe a socially and environmentally conscious business model, that guides the care and growth of our people and how we benefit the communities in which we operate is essential to a sustainable business which respects and nurtures the precious planet we share.



OVER 130 YEARS
IN FARMING



OPERATIONAL IN
7 COUNTRIES



SOURCE FROM
28 ORIGINS



210 WORLDWIDE
SUPPLIERS



SUPPLYING TO
28 COUNTRIES



SERVE 523 RETAIL,
WHOLESALE & FOOD
SERVICE CUSTOMERS

OUR GOALS

When we began our journey in 2020 our strategy was to create a framework which would support our business and our stakeholders in helping to realise a future in which the people and our planet are served, protected and may prosper. Underpinned by the UN Sustainable Development Goals, our first set of targets and goals focused on the key issues, identified as material to our business. Our results are shown on the following pages.



OUR ENVIRONMENT

- Reduce food waste
- Eliminate single use plastic
- Reduce carbon footprint
- Optimise water usage



OUR COMMUNITIES

- Increase the volume of responsibly sourced fruit
- Launch Halls Blossom Project
- Support our local communities



OUR PEOPLE

- Provide minimum of 5 hours training and development per person
- Leadership training through care and growth
- Launch Avocademy® on-line

OUR ENVIRONMENT



ELIMINATE SINGLE USE PLASTIC

All Halls branded products in Europe have been reformulated with plastic-free packaging. Single use plastic is eliminated from our production in France, unless ripe, sensitive product requires it for protection and to prevent wastage.



SINCE
MARCH
2021
OVER

14 MILLION

pieces of plastic have been removed from our range as part of our commitment to reduce packaging waste and increase recycling and circularity.

REDUCING OUR CARBON FOOTPRINT

Halls Packhouse Solar Panel project completed February 2022.



Halls are recognised as a 'Carbon Hero' for our 3 year commitment to the Confronting Climate Change (CCC) Initiative and calculating and understanding our carbon emissions to support reduction plans.

14%

LESS CO₂ EMISSIONS
PER KG OF FRUIT
PRODUCED

The packhouse solar installation has resulted in a 24% reduction in grid electricity usage. This equates to 79 tons of (standard) coal saved and a reduction in 93.6 tons of CO₂ emissions* (*Source: Fusion Solar).

Every Piece of Fruit Matters

REDUCING FOOD WASTE

6% REDUCTION IN FOOD WASTE
IN THE LAST 12 MONTHS

23% REDUCTION SINCE OUR
2019 'BASE' YEAR

Halls' close attention to cold chain management is vital to maintaining quality, however, not all fruit will meet Halls' exacting standards. An established 'waste hierarchy' prioritises keeping fruit in the food chain. If this is not possible, outgraded fruit is sent to be processed for guacamole or oil, retaining value for all the inputs so energy and nutrition is not wasted.

As a last option fruit will be processed and used for biomass energy production.

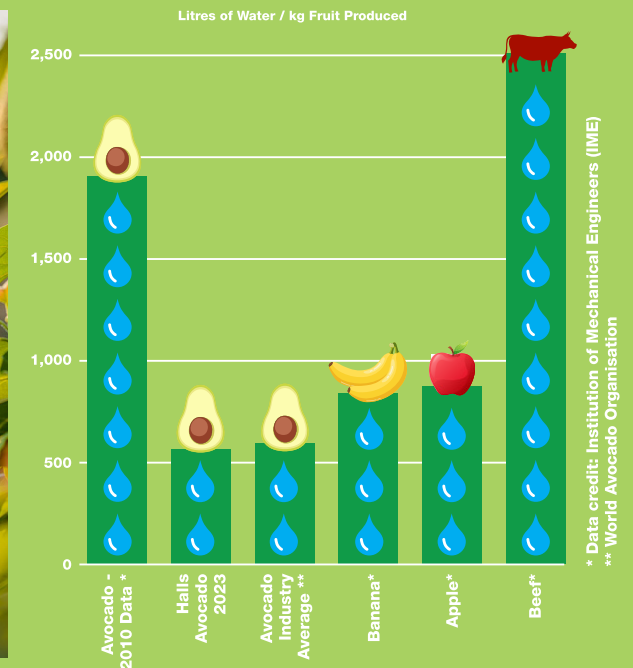
ZERO FRUIT WAS SENT TO LANDFILL

Every Drop Matters

OPTIMISE OUR WATER USE

HALLS FARMS USE

599L WATER PER KILOGRAM
FRUIT PRODUCED



Our investment in water management practices and the installation of low-flow irrigation technology helps us optimise and track our water usage. Halls farms now use 50-60% less water than traditional methods.

NON-TARGETED PROGRAMMES ARE ALSO CONTINUALLY ACTIVE TO MINIMISE NEGATIVE ENVIRONMENTAL IMPACT

BIODIVERSITY

Our integrated pest management programmes are driven by weekly app-based scouting events resulting in limited chemical interventions.

We are constantly striving to reduce the use of inorganic-based fertilizers through targeted soil and leaf sampling programmes and the maintenance of healthy soils by mulching and organic-based amendments.

We developed and opened the Halls biodiversity garden, a beautiful, living testimony to our passion for positive, long-term environmental impact. This beautiful space sustains an abundance of indigenous fauna throughout the year. African blue basil (*Ocimum spp*) provides a year-round habitat for an abundance of bees and other insect pollinators. Spekboom (*Portulacaria afra*), a natural carbon sponge, will help us in the fight against global warming.

ADAPTING TO CLIMATE CHANGE

The harsh reality of a +1.5°C world demands accelerated adaptive measures. Halls commissioned the Institute for Environmental Analytics to analyse the expected impact of changes in temperature, hail, drought, rainfall and humidity in our key growing regions over the next 30 years.

Collaboration with our partner, Agranimo, brings focus to Agtech solutions for water efficiency. Combining satellite analytics, flow meters, micro-climate weather stations and soil probes we can form a complete picture of water use and help develop greater efficiencies and inform new orchard planning. Agranimo technology is deployed across 40 fresh produce customers in Chile, where there is increasing pressure on water availability due to climate change. This technology helps farmers understand and manage their water footprint while optimising their production.



OUR COMMUNITIES



80% OF VOLUME TO BE RESPONSIBLY SOURCED BY 2025

92% of fruit is sourced from producers who have verified social conditions and labour practices

68% of our fruit meets the highest band of The Halls Responsible Sourcing Policy where labour conditions are verified by the SMETA, SIZA, or Rainforest Alliance audit standards.

This represents a 31% increase on the previous 12 month period.



10 LULA SANDLA NOMINATIONS



Lula Sandla means “Do not fold your hands while there is a need around you”. This is a Halls Group initiative which encourages our staff, business partners and clients to give of their time and resources to those in need.

The foundation creates shared value by encouraging volunteering amongst all employees and awarding funds to the projects that are held close and supported by our people.

We are so proud of our employees, regularly reaching out and engaging with their communities. Of the nominations received, financial awards were made to

4

employee volunteer programmes

- Africa School of Missions Clinic, Mpumalanga
- Sinani Soccer League, Mpumalanga
- Horizon Thusanang, Limpopo
- Goue Jare Bejaardesdasorg, Limpopo

LAUNCH HALLS BLOSSOM MATAFFIN

HALLS BLOSSOM MATAFFIN was successfully launched creating

7 FULL TIME JOBS

for young women in the community and provided

3850 schoolgirls with feminine hygiene products each year, to help eliminate period poverty.



THROUGH MANDELA DAY WE DONATED

200 & 56

PAIRS OF SOCKS

BLANKETS

to help with the cold winter



SANTA SHOEBOX PROJECT

In 2022 Halls supported the Santa Shoebox project distributing

823 BOXES

of essential items and treats to children who may not have the privilege of receiving personalised gifts at Christmas.

OUR PEOPLE



ENCOURAGING 5 HOURS TRAINING PER PERSON

The ongoing development of skills and knowledge is crucial to personal and organizational success. Halls have developed the Halls Learning Academy which offers carefully curated courses for both career and personal development.



384 COURSES WERE COMPLETED

OUR DATA

We recognise the need to secure our data security and respect privacy. Internal training programmes have been developed and made available to our people, increasing awareness and strengthening our resilience.

12 CYBERCRIME TRAINING COURSES ROLLED OUT

707 SESSIONS COMPLETED



LAUNCH AVOCADEMY® E-LEARNING



3

Avocademy® e-Learning courses are now available to our staff and our growers.

38

students completed 2 of the online courses in 2022.



HALLS CULTURE

We cultivate growth through shared values, purposeful leadership and continuous learning

OUR VALUES

At the heart of our organization lie our core values: humility, respect, accountability, integrity, and perseverance. These guiding principles shape how we behave, both individually and collectively. They strengthen our sense of identity and provide a framework for our collaborative efforts, whether we are working together or apart. By nurturing a culture that is united by these values, we cultivate a deep sense of belonging and purpose amongst our team.

CONTEXTUAL LEADERSHIP

The Halls Leadership team embodies a genuine passion for continuous learning, fueled by a deep-rooted commitment to lead with purpose. The Contextual Leadership program empowers leaders to navigate business growth amidst ever-evolving global changes and challenges. By embracing and addressing timely transformations, Halls leadership is equipped with the skills and mindset to meet the highest standard as well as inspire those around them.

LEARNING AND DEVELOPMENT

Our organisational success is rooted in enabled and accountable people working harmoniously together. The transformative Legitimate Leadership program has shifted the focus to the act of giving at work, fostering an environment where the care and growth of our people is the catalyst for excellence. By building trust, enhancing individual contributions, and nurturing personal growth, we seek to elevate personal, team and organizational performance to compliment and support our next growth phase.

GOVERNANCE

Providing Oversight on our Commitments

THE PILLAR STEWARDSHIP MODEL

Strategic leadership is provided by the Halls Fresh Produce Pillar Governance Committee. Our GC has full autonomy and benefits from the broad experience and long term view of the Halls Group. The ESG committee is responsible for bringing our targets and commitments to life within the business, while our people, who are our ambassadors, give it oxygen in their daily work.

POLICY & DUE DILIGENCE

Our commitments are entrenched in our policies and procedures to ensure we conduct our business ethically and that we ensure traceability through our supply chain.

- Business Ethics & Code of Conduct
- Responsible Sourcing Policy
- Quality Policy
- Whistleblower Line
- Compliance monitoring through structured due diligence

GOALS & TARGETS

Setting targets drives performance and progress mapping

REPORTING

Halls Fresh Produce report on progress and provide an ongoing review of our impacts with an annual ESG Report, aligned to our financial reporting period.

THIRD PARTY STANDARDS

We ensure we meet the international standards through 3rd party verification to the following standards:



Halls are members of the following trade organisations:



OUR VISION TO 2028

We remain committed to understanding and evaluating our social and environmental impacts through continuous assessment and review. As we conclude this reporting cycle and look to the next horizon, we have aligned our forward vision with the Halls Group sustainability strategy and synergised our goals with the Halls Fresh Produce commercial strategy. Our key focus areas remain unchanged, but we are adapting to embrace emerging opportunities and the evolving business landscape. Our 5 strategic pillars seek to ensure our business remains resilient while delivering healthy, sustainable products and effectively managing our impacts.



OUR PEOPLE

Ensure Halls is peopled by talented and motivated individuals who thrive and grow through investment in learning and development, opportunity creation and a deep sense of belonging.



DATA SECURITY & TECHNOLOGY

Protect our data and that of our people, customers and suppliers. Continue to improve data flows to provide transparency and facilitate decision making.



OUR COMMUNITIES

Create shared value by supporting and engaging with communities around our operations and in our sourcing areas.



RESPONSIBLE SOURCING

Grow a diverse, socially and environmentally sound, global supplier network by upholding and driving standards through robust procurement practices.



CLIMATE CHANGE

Assess and understand the effects of climate change in our business to reduce our negative impact through affirmative action.



OUR PEOPLE

Personal development plans for our staff

Learning and development programmes for all staff

Annual employee engagement initiative



DATA SECURITY & TECHNOLOGY

Provide a minimum of 2 hours security training per employee annually

Structured data pools to support our sustainability objectives



OUR COMMUNITIES

Supporting our communities in South Africa:

- Creation of a community garden
- Santa Shoebox for local children
- Aids awareness
- Mandela Day activities

Supporting our nominated charities in Europe

Supporting livelihoods in the communities in our supply chain



RESPONSIBLE SOURCING

80% of volume to meet Halls Responsible Sourcing standards by 2025

100% recyclable packaging by 2025 avoiding plastic where we can



CLIMATE CHANGE

Assess and reduce the carbon footprint within our operations

Reduce food waste by 50% (from 2019 baseline)

Water optimisation on Halls Farms





Good business and acting responsibly is at the heart of Halls and we are committed to working together with all our stakeholders to encourage and facilitate better choices to be made wherever possible, to help to ensure a better tomorrow.