

The logo features the word "HALLS" in a bold, white, serif font, centered within a green shield-shaped background. Below the name, the text "EST 1890" is written in a smaller, white, sans-serif font, flanked by two horizontal white lines.

# HALLS

EST 1890

## OUR CONSCIOUS COMMITMENT TO SUSTAINABILITY

Environmental, Social and Corporate Governance (ESG) Report 2022

*Avocado with Heart*



# FROM THE CEO'S DESK

As the world gets more complex, faster and more uncertain, we at Halls have not been insulated from any of the headwinds. We have had to learn tough lessons and protect our business from all forms of vulnerabilities. This financial year started with major events in the logistics space with the shipping crisis impacting negatively on global supply. The Russia-Ukraine war caused major instability for world trade and injustice to humanity. Underlying this disorder was the relentless Covid19 and the tormenting results we still live with. The political landscape felt like watching a pendulum as we witnessed considerable instability with world leaders changing office. Despite the turbulence, we know that this precious world must be sustained for future generations and as a responsible member of the global trade and citizenry, we at Halls needed to understand and define how we will respond.

Having committed and aligned ourselves to the UN Sustainable Development Goals, the above events have threatened our ability to meet these goals. Our leadership have had to refocus and adjust the business levers in order to not only remain in the race but also continue to protect those that are more vulnerable. We have emerged stronger in our determination to protect our environment and we have decided to extend our hand in responding to social ills. Moreover, we have through the Stewardship Governance approach, streamlined our processes to ensure that the business is not hindered by avoidable red tape. The fruits of our approach are pleasing.

The ESG reporting process has also seen a facelift in the last few months. We have listened to our stakeholders and tailored some of the approaches internally so that our staff members (our ambassadors) own the content and drive the Halls' values. Our stakeholders will be the beneficiaries of the combined force from all of us and I look forward to more of your feedback.

Our first step is to prepare this 'lite' version which consolidates and reports progress on the initial goals which were set in 2020. Our leadership team have also adapted the approach towards ESG and we will be re-viewing and setting new goals that are aligned with our Responsible Sourcing approach – an exciting step towards knitting our business and that of our clients into a single responsible direction towards caring for our environment and our people.

Avocado is the main product through which we impact lives. It lies at the center of all we do and the theme for this lite version is 'Avocado with Heart'. I therefore invite you to be part of this wonderful journey as we enhance lives in the global community.



**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  
22 COUNTRIES



180 WORLDWIDE  
SUPPLIERS



SUPPLY TO  
28 COUNTRIES



SERVE 470  
RETAIL, WHOLESALE & FOOD  
SERVICE CUSTOMERS

Underpinned by the UN Sustainable Development Goals framework, our ESG strategy, targets and key focus areas ensure we work in harmony with the global community to realise a future in which the people and the planet are served, protected and may prosper. Sustainability is a key driver for continued resilience and success and this remains a continual process allowing us to ensure we identify, incorporate and address changing business needs and emerging issues into our roadmap.

## 2022 GOALS



### OUR ENVIRONMENT

Reduce food waste

Eliminate single use plastic

Reduce carbon footprint

Optimise water useage



### OUR COMMUNITIES

Increase the volume of  
responsibly sourced fruit

Launch Halls Blossom Project

Donations to support our local  
communities



### OUR PEOPLE

Provide minimum of 5 hours  
training & development per person

Leadership training through  
care and growth

Launch Avocademy® on-line

# OUR ENVIRONMENT



## ELIMINATE SINGLE USE PLASTIC BY 2022

All Halls branded products in Europe have been redesigned and reformulated into plastic - free offerings.



TODAY OVER **4 MILLION**

**fewer pieces of plastic** risk littering our streets and shores each year. *Our policies promote increasing circularity wherever possible.*

## REDUCE OUR CARBON FOOTPRINT

We completed our packhouse solar panel project in February 2022



**15%**

less CO<sub>2</sub> emissions were already reported in 2021 and the increased proportion of solar energy is set to reach a 25% reduction for 2022.

EVERY PIECE OF FRUIT MATTERS

## REDUCE FOOD WASTE

11%

REDUCTION  
IN FOOD WASTE  
IN 2022

Halls' close attention to cold chain management is vital to maintaining quality, however, not all fruit will meet Halls' exacting standards. An established 'waste heirarchy' prioritises keeping fruit in the food chain. If this is not possible, outgraded fruit is sent to be processed for guacomole 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

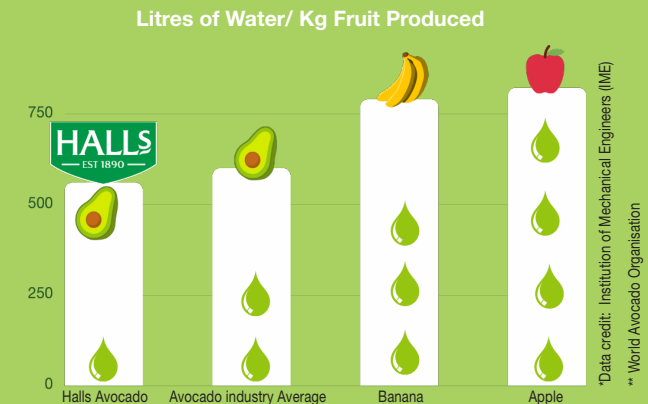


HALLS FARMS USE

**560L** WATER PER KILOGRAM  
FRUIT PRODUCED

Our investment in water management practice and low-flow irrigation led to 10% less water useage than the industry average and 50-60% less than traditional methods.

Water usage  
for avocodo  
also compares  
favourably to  
other common  
fruits.



Smartly integrated soil sensors ensure only the optimum amount of water is applied. Mulching and maintenance of our dams and irrigation prevents water loss, preserving this valuable resource where it is most needed.

We also collaborate with irrigation industry leaders, Netafim to run workshops with our grower partners and share best practice on water stewardship.

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

## BIODIVERSITY LOSS

- As part of our integrated pest management programme we limit chemical intervention to encourage biodiversity.
- We are constantly striving to reduce the use of inorganic based fertilizers through targeted soil and leaf sampling programs and ongoing mulching.
- We developed and opened the Halls biodiversity garden, a beautiful, living testimony to our passion for positive, long-term environmental impact.

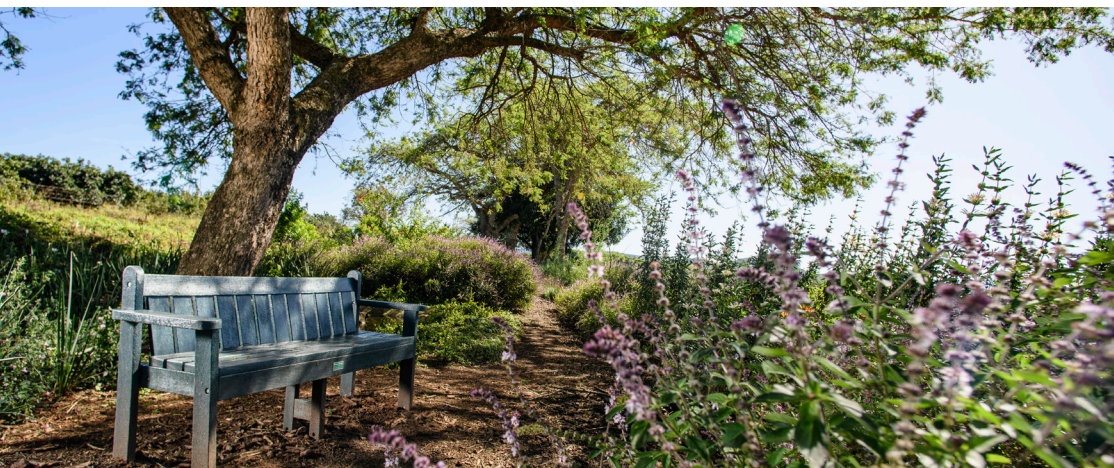
## ADAPTING TO CLIMATE CHANGE

The harsh reality of a +1.5°C world demands accelerated adaptive measures.

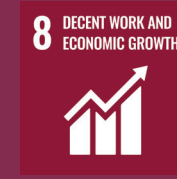
Halls commissioned the Institute for Environmental Analytics to analyse the expected impact of changes in temperature, hail, drought, rainfall and humidity in our key growing regions over the next 30 years.



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.



# 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

**64%** 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 24% increase on the previous 12 month period**



**10 LULA SANDLA NOMINATIONS 2022**



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

- 3** employee volunteer programmes
- Africa School of Missions Clinic, Mpumulanga
  - Sinani Soccer League, Mpumulanga
  - Horizon Thusanang, 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



# OUR PEOPLE

ENCOURAGING 5 HOURS  
TRAINING PER PERSON

# 384

online courses were completed via the Halls learning platform and 87 hours of Cybercrime awareness training completed.



## LAUNCH AVOCADEMY® E-LEARNING



# 3

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



# INSPIRING OUR PEOPLE

## LEARNING AND DEVELOPMENT

Our organisational success is rooted in teams of enabled and accountable people working collaboratively together. Investing in the Legitimate Leadership programmes to facilitate leadership excellence through the care and growth of our people, has resulted in 394 hours of completed learning to date

## CONTEXTUAL LEADERSHIP

A curated development programme equips our senior leaders to navigate and thrive in the context of the global business development growth phase, while upholding the Halls culture across our diverse teams



## OUR VALUES

Led by our values of humility, respect, accountability and integrity, we strive to provide a healthy work-life balance for our people, without whom the passion and drive for our business would be lost. Our employee engagement programme helps us to ensure that our values translate across the diversity of culture, nationality and language, which is a great gift across our global teams

# GOVERNANCE

The HL Hall & Sons Group recognises that purpose, strategy, leadership, structure and sustainability are the reinforcing elements which enable our people and our business to thrive from success to significance. As one of the inter-dependent businesses in the Halls Group, Halls Fresh Produce aligns our ESG Strategy within the overall Halls Governance Framework, guided by a committee comprised of senior executives and supported by a series of control measures, policies and due diligence procedures which are embedded into our daily business.

## Halls operations are certified to the following standards:



## Halls is a member of the following trade organizations:





# HALLS

— EST 1890 —

**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 sustainable future.**