PLANET GGALS

Mid-2021 Progress Report

Dear Reader,

It is my pleasure to share with you this third progress report on our sustainability journey, reviewing the first semester of 2021.

Since the adoption of the Planet Goals in December 2019, we have observed 18 months of pandemic and related socio-economic turmoil which significantly hampered all corporate plans and roadmaps. The period under review in the report was not an exception, as it coincides with the second Mauritian lockdown, and this reflects on our slow progress on many indicators.

We are nevertheless sustaining our efforts to:

- monitor and improve the material impacts which were identified in 2019,
- mainstream an awareness of sustainability among our teams,
- kickstart initiatives at the BU level, in order to gain momentum in bringing change.

The present report – as all mid-year reports – is mostly narrative, and the compiled data and analysis are made on a yearly basis in the full year reports. We hope you will enjoy reading it and invite you to share your thoughts with us, so we can continuously improve.

Kind regards,

Sophie Desvaux de Marigny Group Head of Communications and Sustainability

Foreword

Our	
Commitmen	ts
for 2025	

Trade Ethically

 1.By 2025, we will integrate ESG criteria in our selection of suppliers. 2.In 2025, we will eliminate products that are detrimental to biodiversity. 3.By 2025, we will raise the weightage of eco-certified products to 12% of our portfolio. 4.By 2025, we guide our consumers on the responsible use of our products. 5.By 2025, we will optimise our packagings, while complying with international standards. 	2 RESPONSE INDICER	
Rethink Energy		
6. By 2025, we will reduce our energy consumption (excl. production) by 25%.7. In 2025, 30% of our energy will come from renewable sources.8. By 2025, we will optimise our vehicle fleet both in numbers and fuel efficiency.		
Manage Waste		
 By 2025, we will stop purchasing single-use plastics and non-recyclable materials. By 2025, we will reduce our paper consumption by 30%. By 2025, all our waste will be recycled or disposed of responsibly. 	15 LEFE DI LAND DISLAND DISLAND AND PRODUCTION AND PRODUCTION AND PRODUCTION	
Save Water		
12. By 2025, we will reduce our usage of water for operations (excl. production) by 25%.	6 CLEAN MATER AND SANTERTON	
Advance Diversity		
13. By 2025, we will achieve gender equity in our staff.		

Harel Mallac Planet Goals Progress Report #3 (Mid-Year 2021)





Five themes that were chosen for their pertinence towards the nature of our businesses and the local Mauritian reality.

PLANET GOALS at a Glance



The Planet Goals program is led by our Head Office.



Roll-out is overseen by a Sustainability Committee chaired by the Chief Executive Officer. The Committee reports on progress every semester to the Board of Directors.

SUSTAINABILITY CHAMPIONS

whose mandate is to sensitise the staff on the PG2025, mainstream sustainability in the cluster's decisions

2019 is our baseline for our indicators.



Lead

Sophie Desvaux de Marigny

Group Head of Sustainability & Communication

Focal Points



Bluette Drioux Administration & HR Executive, Suchem



Medhi Rungen Senior Lead, Harel Mallac Technologies

> **Ejilen Penselgadoo** Marketing Executive, Novengi

Achala Mulloo-Hurpaul

Sales & Marketing Executive, EO Solutions and Linxia

Kaneesh Munbodh Project Engineer, MCFI







Kanee

Champions

PLANET

GGALS



By 2025, we will integrate ESG criteria in our selection of suppliers.

We have integrated three new criteria for all new suppliers in SAGE:

- Whether they have pledged to an international or local sustainability network
- Whether they detain ISO and other quality / environmental certifications.
- Whether they monitor and report on material sustainability impacts.

Questions pertaining to sustainability were added earlier this year to the "Know Your Counterpart (KYC)" form which will be used by all Business Units.



TRADE ETHICALLY

By 2025, we will eliminate products that are hazardous to biodiversity.

Out of the Group portfolio of products, 828 product references were identified as hazardous to biodiversity.

Archemics, MCFI, Suchem and Novengi are scouting solutions to replace these products with safe ones (i.e., refrigerant gases, agricultural products) or substitute some of their ingredients (i.e., detergents).

TRADE ETHICALLY



By 2025, we will raise the weightage of eco-certified products to 12% of our portfolio.

Each Business Unit has compiled the number of product references in their portfolio: at 30 June 2021, they amounted to 12,609 references, out of which **605** references (**5%**) bore an energy efficiency, organic or other internationally recognized certification.



By 2025, we guide our consumers on the responsible use of our products.

- 22 product references manufactured by our companies were specifically designed with the goal of being recycled, reused or which can be disposed of safely.
- EO has set up a plan to take back and recycle all toners that are replaced at the client's, in collaboration with BEM Recycling. It is also looking for opportunities to re-route its obsolete office equipment (from its rental park) towards dismantling and recycling, instead of the landfill.



By 2025, we will optimise our packaging while complying with international standards.

Almost 100% of our product references (**12,602**) abide to one or more labelling regulations on the safe use and disposal of product.

RETHINK **ENERGY**



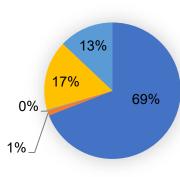
By 2025, we will reduce our energy consumption* by 25%.

- We measure our electricity intensity in terms of Gigajoules (Gj) per full-time employee (FTE) per year. Our baseline for this indicator is 8.3Gj per FTE per year, and we aim at 6.2Gj per FTE by 2025.
- The figures for the whole year 2021 will be communicated in the next report, but from our observations for early 2021, our non-industrial operations have significantly reduced their consumption, mainly due to the Covid-19-related lockdowns, where our operations slowed down and the staff was working partly from home.
- No energy audit was conducted during the period under review.

In 2025, 30% of our energy will come from renewable sources.

Our Group sources the largest share of its electricity from the national grid, which is generated mainly from fossil sources (76.1%).

Two out of five business premises are equipped with photovoltaic (PV) panels for electricity production: Archemics with an installed capacity of 45.6 kWp (kilowatt-peak) and our Pailles compound (12.65 kWp).



Energy consumption by source

 Solar Panel -Electricity
 Generator (diesel)

CEB -Electricity

Coal

Heavy Fuel Oil

*Only commercial operations / offices are accounted for in this calculation.

Harel Mallac Planet Goals Progress Report #3 (Mid-Year 2021)

With the strict financial constraints adopted by our companies to face the first and second

production. Final figures will be disclosed in the annual report.

lockdowns, investment in new PV installations for our offices was postponed sine die.

The Archemics' PV facility experienced issues in 2020 and 2021, with repercussions on its

While we have a sincere ambition to embrace renewable energy, we also wish to move away from the two most polluting sources of energy we burn: coal and heavy fuel oil. Ingenia is scouting new fuels to substitute them, by 2023.



RETHINK

ENERGY

By 2025, we will optimise our vehicle fleet both in numbers and fuel efficiency.



At 30 Jun 2021, the companies' fleet (mainly delivery vehicles) totalled 85 diesel vehicles and 13 petrol vehicles.

Our total fuel consumption for the period under review (for company vehicles and fuel-cards) amounted to 264,128 litres, a little higher than the same period in 2020. This was expected. as our operations during the latter period were slowed down for a longer period).



By 2025, we will stop purchasing single-use plastics and non-recyclable materials

- Early 2020, all our offices were equipped with water dispensers and stopped purchasing bottled water.
- At industrial level (where this Goal is material), MCFI and Archemics are scouting solutions for their packaging and the Equipment & Systems sub-division for its after-sales department.
- To date, the BUs use:

Packaging Types	Recyclability / actions under review or trial at 30 June 2021
Biaxially Oriented Polypropylene (BOPP) bags and Woven Polypropylene Bags (WPP)	Single use and exempted by the local plastic regulations for single plastic use. Ingenia is investigating possibilities of reuse, recycling and substitution.
Granular Fertilisers "Big Bags"	Ingenia is shifting from single use at customer place to reusable big bags.
Intermediate Bulk Containers (IBCs)	Used for import of key raw materials - reused or sent for recycling or sold for other uses.
High-Density Polyethylene (HDPE) smaller containers	For detergents: washed and reused or else sent for recycling. For pesticides: in process
Jerrycans	Empty 5L containers are recalled for reuse.
Cardboard (boxes)	Recycled at Archemics. Other companies in process.
Wrapping plastics (LDPE)	Used by both Chemicals and Equipment & Systems: Sent for recycling by Archemics. In process for other companies.

MANAGE



By 2025, we will reduce our paper consumption by 30%.

We measure the progress on this action in terms of paper consumption intensity (kilograms of paper per FTE). Our baseline for this Action is **13.3 kgs per FTE in 2019** (11,815 kgs for 891 employees), and **we aim at 9.3 kgs per FTE in 2025**. The final figures for 2021 will be communicated in the annual report, but in the meantime, we can report that:

- With the implementation of SAGE, most billing and payment processes have become paperless.
- 100% of the paper we purchase is Forestry Steward Council (FSC)–certified.



MANAGE

By 2025, all our solid waste will be recycled or disposed of responsibly.

We measure the progress on this action in terms of paper consumption intensity (kilograms of paper per FTE). Our baseline for this Action is **13.3 kgs per FTE in 2019**, and **we aim at 9.3 kgs per FTE in 2025**. The final figures for 2021 will be communicated in the annual report.

- Since 2019, the totality of our hazardous waste is being disposed of through the proper channels.
- All offices have been equipped with paper bins, collected by certified recyclers: Mision Verte, WeCycle and MAFTA.
- During the period, 1.07 tonnes of waste were diverted from the landfill through reusing, recycling and reselling.

SAVE WATE[†]



By 2025, we will reduce our usage of water for operations (excluding production) by 25%.

Water consumption in our non-industrial sites for the first semester stood at **7,454m**³ in terms of absolute value, but we are conscious that this amount cannot testify of any positive or negative trend as it concerns a period of lockdown, with most non-operation staff working from home.

We also measure our progress on this Goal in terms of water intensity (m³ per FTE) in our non-industrial sites, and **we aim at 6.7m³ per FTE by 2025**. The figure for 2021 will be published in the annual progress report.

Among the actions identified to tackle the water usage of our operations:

- Equip all Business Units with water-flow-reducing devices.
- Sensitise employees on water usage safe practices.
- Scout solutions for sounder industrial use of water as a raw material, in cleaning and other activities (at Archemics and MCFI Group)

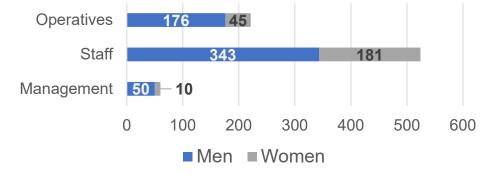
All business units use water from the CWA, except for Archemics which also sources water from a borehole.

ADVANCE

By 2025, we will achieve gender equity in our staff

At 30 June 2021, our team comprised 805 full-time employees (FTEs), of which 29% were women. At management level, the ratio of women has decreased from 25% in June 2020 to **17%** in June 2021, a drop which constitutes a source of concern to us in our endeavour to achieve the Action 1 (to have 30% of women at management level by 2025).

Gender ratio per staff categories



The second action to which we committed in December 2019 was to reduce the Gender Pay Gap (GPG) to 2% by 2025. The GPG per category of employees will be published in the annual sustainability report for 2021.

In order to empower its female managers to gain in assertiveness and embrace opportunities to lead, the Group carries on regular workshops under the Lean In model for a group of 15+ ladies. During the period under review, three "Women Circle" workshops were conducted, but the online mode proves not ideal for this type of sharing and the group is eager to meet again in person.

For more information about our Sustainability journey, please visit <u>www.harelmallac.com</u> or get in touch on <u>communication@harelmallac.com</u>

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