

Planet Goals 2025

2022 Mid-Year Report

**harel
mallac**
for the better



Foreword

Dear Reader,

As we approach the first half of our journey towards the Planet Goals 2025, I am delighted to share that our Group has now truly embraced and mainstreamed sustainability in its discussion and business decisions.

Besides Harel Mallac's public adhesion to networks and labels, the main event of this third year in the making is the launch of our internal competition on sustainability aimed at accelerating the achievement of the Goals: The Planet Convention 2022.

As you learn about our progress in the following pages, please keep in mind that we value your feedback on both our performance and the quality of our reporting, so do not hesitate to share it on communication@harelmallac.com.

Enjoy the read,

Sophie Desvaux de Marigny

Group Head of Communication & Sustainability

Our Group at a Glance

Mauritius-born and Africa-focused, our Group of companies started as a “maison de commerce” in the mid-19th century.

In 2022, it operates in the sectors of Chemicals, Technology and Equipment & Systems, with the ambition to bring to Mauritian and regional businesses the best the world offers, while integrating technology and ecology in all our solutions.

Our Purpose is to **Make a Difference for the Better** of our People, our Performance, our Consumers and our Planet. This purpose is fuelled by fundamental guiding principles that define the way we do business: **Agility, Care** and **Trust**.



7 countries



846 team-
members



24
businesses



Rs. 3.6bn
turnover (2021)

About this Report

Sustainability Governance

The Harel Mallac Planet Goals 2025 were endorsed by Harel Mallac's Board of Directors in December 2019. The programme is monitored and reported upon on a semestrial basis.

Sustainability Management

Spearheaded from the Head Office, our sustainability programme is run at the level of sub-divisions by Sustainability champions whose mandate is three-fold:

- Critically look into the BUs' impacts on the social and natural environment,
- Suggest changes in the way we run our businesses, inspired by best-practices worldwide, and
- Monitor and report on progress.

Communication on Progress

Our baseline for reporting is 2019 and its scope solely covers our operations in Mauritius.

While the Goals to achieve are clear, the actions presented in the report were identified as guidelines rather than rigid prescriptions, in order to focus on materiality, depending on the operations' specificities.

Our focal points strive for maximum accuracy when collecting and compiling data. They may nevertheless, in rare cases, resort to approximations or assumptions, if data is missing.



WE SUPPORT

PLANET GOALS

Topic	Goals	Progress Bar -2021	Materiality (divisions)	SDG	UNGC Principle
Trade Ethically	1. By 2025, we will integrate ESG criteria in our selection of suppliers.	40%	All	12	1, 2, 4, 5, 10
	2. By 2025, we will eliminate products that are detrimental to biodiversity.	30%	Chemicals + Indust. Equip.	2, 15	8, 9
	3. By 2025, we will raise the weightage of eco-certified products to 12% of our portfolio.	33%	Chemicals	6, 12	8, 9
	4. By 2025, we guide our consumers on the responsible use of our products	60%	All	12	8
	5. By 2025, we will optimise our packagings, while maintaining compliance with international standards.	80%	Chemicals	12	8, 9
Rethink Energy	6. By 2025, we will reduce our energy consumption (excl. production) by 25%.	100%	All	7, 12	7, 8
	7. In 2025, 30% of our energy will come from renewable sources.	55%	All	7, 11	7, 8
	8. By 2025, we will optimise our vehicle fleet both in numbers and fuel efficiency.	75%	All	11	7, 8
Manage Waste	9. By 2025, we will stop purchasing single-use plastics and non-recyclable materials.	80%	Chemicals Division	12	7, 8
	10. By 2025, we will reduce our paper consumption by 30%.	100%	All	12	7, 8
	11. By 2025, all our waste will be recycled or disposed of responsibly.	50%	All	11, 12	7, 8
Save Water	12. By 2025, we will reduce our usage of water for operations (excluding manufacturing facilities) by 25%.	10%	All	6, 11, 12	7, 8
Advance Diversity	13. By 2025, we will achieve gender equity in our staff.	10%	All	5	6

Planet Convention

The group launched its first internal competition for sustainability: the Planet Convention 2022 which aims at:

- Accelerating our progress on the achievement of the Planet Goals,
- Embedding the awareness and commitment of staff on the topics that are material to their Business Units.



Six teams were created and presented their projects in June 2022, to a jury composed of 2 members of the leadership team and representatives of the UN Global Compact and Business Mauritius. The six projects were given a green light for implementation.

The initiative aims at being an annual one, if it proves conclusive and impactful.

Learning and Sharing

Besides the Planet Convention, we encourage all team-members to improve their knowledge of sustainability and the different ways to mitigate their personal and corporate impacts.

As such, a dozen team members have joined the following programmes and workshops in 2022:

- AMM's programme on circular economy and responsible sourcing 'L'indistri dime";
- UNGC Climate Ambition Accelerator;
- SDG Ambition Accelerator;
- Managing Greenhouse gases (GHG) emissions;
- Science-based target indicators (SBTI) and Achieving Net-Zero.

1. By 2025, we will integrate Environment / Social / Governance (ESG) criteria in our selection of suppliers.

Action 1.1: Adopt a Responsible Sourcing Policy per division. – completed in 2021.

Action 1.2: Screen Suppliers according to ESG criteria.

Since 2020, we ask all our suppliers to fill out and share a Supplier Onboarding Form, providing information on their ESG commitments and reporting.

We also started recording our suppliers and business partners' membership to networks such as SigneNatir or the UN Global Compact, in our ERP, in 2022.

Action 1.3: Favour local products and suppliers to advance a circular economy.

We strive to promote the local savoir-faire and give priority – where feasible – to local solutions. To this end, we have integrated the Made in Moris (MiM) label for companies in our ERP in 2022.

Archemics has four brands manufactured locally and bearing the MiM label.

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

Action: Identify concerned products and explore / adopt substitutes.

Mid-2022, we identified 1,169 product references in our portfolio (**8%**) which are classified as hazardous as per the Global Harmonised System (GHS). Most of them are found in our Chemicals division. On the latter, **Ingenia** is proud to share that 11 agrochemical products manufactured locally by its subsidiary Biofert Co. Ltd were certified by Ecocert as appropriate for organic agriculture (with EU standards), in 2022.

Planet Convention:
Suchem is launching a nation-wide program of sensitization, recuperation and cleaning of pesticides containers, which pose urgent threats to community health when left in nature.

In the air-conditioning and refrigeration sectors, **Novengi** is completing its phasing out from the sale of HFC refrigerant gases.

3. By 2025, we will raise the weightage of eco-certified* products to 12% of the BU's portfolio.

By mid-2022, our business units had a combined total of 13,968 product references in their portfolios,

- 99% of which bear labelling on safe use of product, or disposal of product, and
- 445 (**3%**) have an eco-label or energy efficiency label.

*Energy or Environment Labels, depending on the nature of the products.

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

Action: Educate consumers on the responsible use and disposal of our products.
Ingenia and **Archemics** staff perform on-site sensitisation and training sessions on the safe use and disposal of their products and containers (respectively in agriculture and hospitality)

5. By 2025, we will optimise our packaging, while maintaining compliance with international standards.

Action: Stop single-use and non-recyclable packaging.
 This Goal is pertinent to the Chemicals division mainly (as both Archemics and Ingenia are involved in manufacturing) and to the Equipment & Systems for wrapping repaired or serviced equipment (after-sales departments). Solutions for the packaging types below are being sought after by 3 teams participating to the Planet Convention 2022.

Packaging Types	Recyclability / actions
BOPP bags and WPP Bags	Exempted by the local plastic regulations on single plastic use. Ingenia is investigating possibilities of reuse, recycling and substitution.
Jerrycans	Empty containers are recalled for reuse.
Wrapping plastics (LDPE)	Used by both Chemicals and Equipment & Systems (after-sales): Sent for recycling by Archemics. Others considering solutions.

RETHINK ENERGY

6. By 2025, we will reduce our energy consumption (excl. production) by 25%.

In 2021, our non-industrial operations used **4,219Gj** of electricity (**5.2Gj** per FTE), thereby achieving and going beyond the goal of 6.2Gj per FTE by 2025. For the first half of 2022, we consumed 4.27Gj per FTE, illustrating further decrease in the non-industrial consumption.

Although industrial/production-related consumption is excluded from this calculation for understandable reasons, our business units are looking into solutions to improve their energy efficiency:

- Ingenia with the replacement of coal and HFO with greener intrants.
- Archemics, starting with an energy audit conducted early 2022.

7. 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%). The Mauritian government plans to increase use of renewable sources of energy for electricity generation from the current 23.9% to 40% by 2030, a commendable vision to which we contributed with our Solar Field PV farm in Mont Choisy, which operates since 2017.

During the period under review, **16%** of the total electricity consumed by the Group was supplied from renewable sources (from both our own PV installations and the national grid).

8. By 2025, we will optimise our vehicle fleet's carbon footprint.

The group's total fleet of vehicle was further reduced in the first semester (especially for diesel vehicles), and the fuel consumption for the company vehicles stood at a monthly average of 196 litres of diesel and 86 litres of fuel per car. The annual carbon emissions volume will be reported in the next report.

Number of company-owned vehicles at 30 June 2022:



Action: Reduce usage of transport using technology, agile work, and better planning.

All delivery and customer intervention plannings were reviewed in 2021 for more efficiency.

Harel Mallac & Co has adopted an Agile Work Policy since 2019, which promotes “work from home”, “work closest to home” and “flexitime”. Nevertheless, during the first half of 2022, 92% our staff went back to full-time work at the office (compared to 73% in 2021).

MANAGE WASTE

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

The Group welcomes the new legislation which prevents the purchase and usage of single-use plastics in Mauritius. All our premises are equipped with filtered water dispensers, thereby decreasing plastic waste. As described in Planet Goal #5, all the types of containers used for import were audited and are either reused or recycled.

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

This Goal is considered as achieved since 2021, as our paper consumption decreased to **7.3kgs** per FTE. We will sustain our efforts towards a 60% reduction (5.3kgs per FTE), by 2025.

Our BUs only use Forestry Stewardship Council paper.

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

So far, only our chemical companies can report on the quantity of waste they send to landfill, as they are serviced by private contractors for same. The Pailles, Port Louis and Phoenix premises can only monitor the handling of their recyclable and hazardous waste.

Planet Convention: HMT is digitalizing :

- All HR processes
- Technical intervention reports (now using tablets)

In order to save paper.

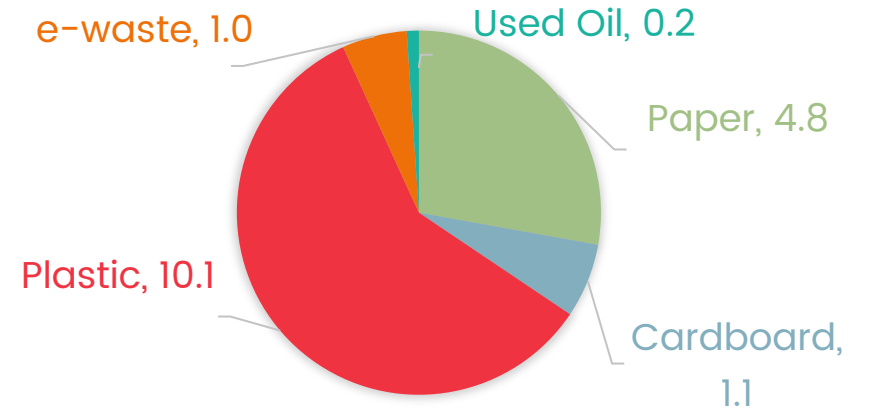
Planet Convention: EO Solutions has set up a process of dismantling and recycling of old office equipment, as well as a second life for its clients' waste-toners powder.

MANAGE WASTE

During the first semester, we have generated **543** tonnes of waste (including 2.1 tonnes of hazardous waste). Our operations reused, sold, gave away or recycled 17.1 tonnes of material, categorised as below:

Vehicle-related hazardous waste (car batteries and tyres) was disposed of at the BUs respective garages.

Planet Convention: the **Ingenia** team is working towards elimination of two kinds of waste from its production plant: bottom-ash (from coal burning in the dryer) and sludge.



Wastewater

Our Chemicals production sites use water to operate and as an ingredient for their production and washing plants: all their wastewater and effluents are treated on-site before being reused or carted away by professional services providers to the nearest accredited wastewater treatment plant (in Roche Bois). The volume for 2022 will be disclosed in the next report.

SAVE WATER

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

Our water consumption in our non-industrial sites for the first semester (6,411m³) is lower than the half-year figures of 2021 (7,454m³), which is encouraging as the staff were back in office full-time this year.

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 2022 will be calculated in the annual progress report. All business units use water from the CWA, except for Archemics which also sources water from a borehole.

Action: Educate staff to encourage water-saving behaviours

Archemics and Ingenia are signatories of UNGC CEO Water Mandate and the WASH pledge. They lead bi-annual sensitisation sessions on good water usage

Planet Convention:

The **Novengi** team focuses on water consumption in its project and has installed rainwater harvesting equipment on its new building in June 2022.

Planet Convention:

the **Archemics** team is leading four water-related initiatives under their Ecozil project this year:

- Wastewater reuse
- Reverse osmosis (RO) plant
- Rainwater harvesting
- Reverse osmosis (RO) reject water reuse

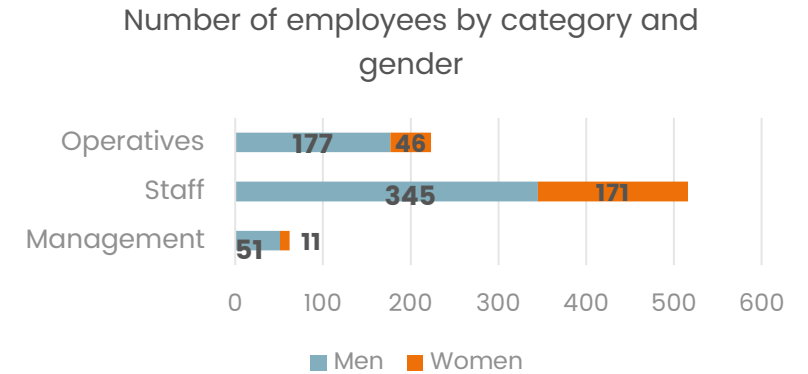
ADVANCE DIVERSITY

13. By 2025, we will achieve gender diversity in our staff

On 30 June 2022, the Group totalled 80 team-members in Mauritius, of which 28% were women.

Action 13.1: Bring the Gender Pay Gap below 2% in the Group

At Harel Mallac, we believe that equal work should result in equal pay. With this in mind, we have been monitoring our Gender Pay Gap (GPG) at three levels of the job grading system, since 2017. The annual figures for 2022 will be published in the next report.



We understand that the GPG is conditioned by many factors, including men's better ease at negotiating, when it comes to salary and promotions. We conducted, earlier this year, a series of trainings for our female managers on assertiveness, public speaking and managing one's energy to succeed, in partnership with Rogers Academy.

Action 13.2: Reach 35% of women at Management Level

Since 2020, we are witnessing continuous drop in the share of women in management (18% at mid-2022), a trend that has generalised throughout the group, except for Ingenia, where the ratio is improving.

For more information about our Sustainability journey, please visit
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