

Heilala®



Impact Progress Report

September 2021

A note from Jennifer Boggiss, Heilala CEO and Co-Founder.

In September 2020, we published Heilala's first Impact Report. I recall at the time feeling deeply proud of what Heilala has contributed, both as individuals and collectively as a team, toward bettering lives in Tonga's island communities.

Today, Heilala's purpose and reason for being permeates every aspect of our operations. An enterprise started by my father John Ross, to provide sustainable livelihoods after the devastating Cyclone Waka in 2002, has led to something that we could not have dreamed of nearly 20 years later.

Over these past 12 months, despite the many challenges presented by Covid-19, it has been our purpose and values that have kept us all together and motivated as a team. Although unable to travel to Tonga we are very grateful to our team along with our key partners that enable initiatives and impact across both our community and vanilla growing to continue.

For Heilala, community impact is a big factor in how we define sustainability. This year we've taken time to thoroughly review our sustainability framework. We want to hold ourselves accountable for our impact on the planet as well as our people. Sustainability is an evolving journey that we as a company are committed to.

I am proud to share with you Heilala's 2021 Impact Report, highlighting the progress we have made in the last 12 months and our focus moving forward.

At Heilala we are committed to building a sustainable business that is centred around 'Vanilla for Good.' Thank you for supporting us on this journey.



Jennifer Boggiss
CEO and Co-Founder



At Heilala, community is everything.

We don't simply support the people of the small Pacific Island of Tonga, having an impact is in our DNA. The people of Tonga are the lifeblood of our business. They are our partners, our colleagues, our workmates, our family and our friends.

While Covid-19 put a pause on visiting and undertaking community projects first-hand, we are very fortunate to have a motivated team in Tonga and strong relationships with partner organisations. These partnerships have enabled us to forge ahead with various projects for good in Tonga.

With a little help from our friends, Heilala continues to have significant impact for good on the health and livelihoods of children and families in Tonga - even as borders remain closed.

Seeds for Sustenance

In April 2020, late season Cyclone Harold hit Tonga causing significant damage. With Covid-19 restrictions preventing us from assisting in person Heilala partnered with MORDI*, to plan a relief effort emergency response on the island of 'Eua. In July 2020 we sent a shipment of over two million vegetable seeds which included carrots, tomato, eggplant, lettuce, silverbeet, pak choy and basil. The MORDI team then planted the seeds in various nurseries. At the end of the year, once seedlings were established, these were distributed to households on 'Eua and other islands, for their home gardens.

MORDI* - a registered NGO aiding rural isolated communities of Tonga through sustainable community development. Heilala is very fortunate to have a signed MOU with MORDI to support developing vanilla growing in rural communities throughout Tonga.



Pictured Above ↑ Lots of learning days ahead for the littles members of Heilala's vanilla growing communities
Pictured to the Right ↗ The MORDI nursery nurtured seeds before distributing to household gardens

Better Learning Environments

Our Tongan manager, Sela, called in January to say the children on 'Eua were returning to two new school classrooms, which had been newly built, but there were no desks or chairs. We immediately reached out to schools in Auckland and Tauranga whose response was overwhelming. Over 150 desks and chairs were donated to fill a container, which Heilala shipped. This initiative not only provided desks for the two classrooms on 'Eua but also furniture for a further classroom at Talihau, Vava'u where we have completed several other community projects in the past.

It's not all work and no play....

Along with the desks, the shipment included boxes of soccer and rugby balls and over 50 fishing rods.





Sufficient Sanitiser Supplies

New Zealand went into lockdown in March 2020 as Covid-19 continued to spread across the globe. With very limited access to medical supplies, our community in Tonga was worried and fearful; they had seen the devastation of a measles outbreak just months earlier in neighbouring Samoa.

Heilala’s Tongan team asked us to send sanitiser, masks and hand washing supplies. However, at the time sanitiser was also very scarce in New Zealand. Heilala made the quick decision to manufacture a WHO-certified hand sanitiser based on ingredients we had for producing vanilla extract. Our production team produced, bottled, labelled, and shipped three pallets (3000 units) to Tonga for the islands of Tongatapu, Vava’u and ‘Eua. These were distributed to grateful hospitals and communities. Heilala’s leadership and initiative was formally acknowledged at an official ceremony with the New Zealand High Commissioner handing product over to the Ministry of Health in Tonga. We are very grateful that Tonga has remained Covid-free to date, we hope this continues.

Pictured Above ↑ An official ceremony attended by the NZ High Commissioner (Seated Left Tiffany Babington) and Minister of Health (Seated Right ‘Amelia Afuha’amango Tu’ipulotu) marked the handover of Heilala’s sanitiser shipment to Tongan hospitals and communities.
Pictured to the Right → Heilala ‘Eua team member Lucy Hvefatafehi was proud to coordinate the distribution of over 3000 units of sanitiser.



Impact through Vanilla Growing

Our vanilla growing community are the pillar of Heilala Vanilla, maintaining strong relationships is at the essence of our purpose. The vanilla growers nurture the orchid vines, hand pollinate each flower and harvest every pod at just the right time.

We are committed to paying a premium over and above the market price. Annually there is a published and known market per kilogram price for vanilla beans. Purchasing records are tracked by farmer registration numbers which include volume and price paid throughout the annual vanilla harvest. We regularly receive validation from Tongan community members of the positive impact paying a price premium has on the vanilla growing families.

Supporting small holder farmers continues to be a key motivation for us to broaden our community impact. Through our partner MORDI, we are able to better understand the needs of community members involved in the seasonal aspect of growing and harvesting vanilla which enables Heilala to evaluate and progress the impact of our various initiatives.

	2019	2020	Target 2025
Number of smallholder farmers Heilala purchased vanilla from.	217	142	500
Number of smallholder farmers educated and assisted with vanilla farming best practices.	167	172	500
Number of school students supported with resources and fees.	180	207	1200
Number employed for farm development, ongoing maintenance, harvesting and curing.	55	55	200

Climatic conditions and a focus on other crops meant we were unable to purchase vanilla from as many smallholder farmers in 2020. We are confident that the initiatives we have in place will increase this quantity in the coming years, as more farmers have training and an increased knowledge and understanding of improving yields. See Page 8 for Sela’s insights into the move by ‘Eua farmers to switch from kava farming to vanilla growing.

Excellence Across the Entire Process

Heilala is committed to building a vanilla industry of excellence in Tonga and believe we can have the biggest impact by working with our strategic partner MORDI.

Together with MORDI, Heilala has compiled a ‘Vanilla Growers Manual’. This simple, visual, and easy to use guide is designed to help farmers grow high quality vanilla. It will be printed and distributed to all 5,000 farmers throughout the Kingdom of Tonga by MORDI’s community liaison field officers in the coming months.

We are excited for this to be implemented across remote rural communities and look forward to reporting the distribution and cut through in next year’s report.

In New Zealand, Heilala has been working closely with Crown Research Institute Plant and Food New Zealand. Over the next three years Plant and Food are implementing a vanilla activity project, designed to improve agronomic practice and post-harvest management. Heilala has partnered with Plant and Food to conduct flowering and post-harvest quality research. We are also collaborating with Plant and Food on infrared technology to measure bean and extract quality. We are excited to be part of this milestone project which will have a positive impact on the Tongan vanilla industry in years to come.

Dedication And Devotion Recognised

Recognition from Heilala’s New Zealand Tongan business community is always valued. In March 2021 our founder, Jennifer Boggiss was recognised by the Tonga New Zealand Business Council at an Auckland event with a ‘Navigator Award’. The Navigator Award is for individuals who have devoted a significant portion of their working life to advancing the cause of bilateral international relations, economic development, and prosperity in New Zealand and Tonga, and whose specific achievements have clearly benefited many people nationally and regionally. This award fills us equally with pride and humility.

Pictured Below ↓ Heilala co-founders, Jennifer and John, graciously accept the Navigator Award at a gala dinner earlier this year.





Our Impact in Action: Sela's Update

My name is Sela Latu and I am the Manager of **Heilala Vanilla** in Tonga. You may have read how my story started in Heilala's 2020 report.

As at September 2021, it has been almost 18 months since Covid-19 hit which also marks 18 months since Jennifer Boggiss, her dad John Ross and other **Heilala Vanilla** team members have visited from New Zealand. In the past, before Covid-19 they always visited Tonga – at least six times a year or more and I would also regularly travel to New Zealand. We are a family, and we have trust and understand how each other works so spend lots of time talking on the phone, messaging on Facebook and sending emails.

Team **Heilala Vanilla** in Tonga are all my big family. The last two vanilla growing seasons have been buying all the green vanilla beans from our growers and cooking, curing and drying the beans. My team are all happy and enjoy doing this because they have ongoing work which provides income for their families. Currently in Tonga, some people don't have work or any income for their families because of Covid-19.

Some people here in Tonga have been separated from their families for a long time now. Many fathers are still in New Zealand or Australia fruit picking for income and have been away from their family for two years. My husband Rocky went to New Zealand for a three-month fruit picking contract. Covid-19 meant he couldn't come home and was away from our three children and I for a year. I was sad that my husband missed our daughter's graduation from kindergarten where she was named Dux of her year. My two boys also missed having their dad to play rugby with. He came back earlier this year and is now working with Heilala Tonga, so we are both proud to be on the Heilala team, have regular income and be together as a family.

There are approximately 80 farmers here on the island of 'Eua. Most of the farmers are starting to grow more vanilla on their land in place of kava because when Covid-19 hit, the kava price went down. Vanilla prices are still very good and farmers who have been growing vanilla here for a long time are happy to receive a steady, reliable income for their vanilla crops. They are grateful **Heilala Vanilla** is here in Tonga to buy their vanilla – unlike kava as they must find a buyer overseas which is hard now. Our farmers are proud to sell their vanilla to Heilala, not only because of the income it provides but the support Heilala gives to Tongan communities and schools like desks and chairs that were sent for my children's classrooms earlier this year.

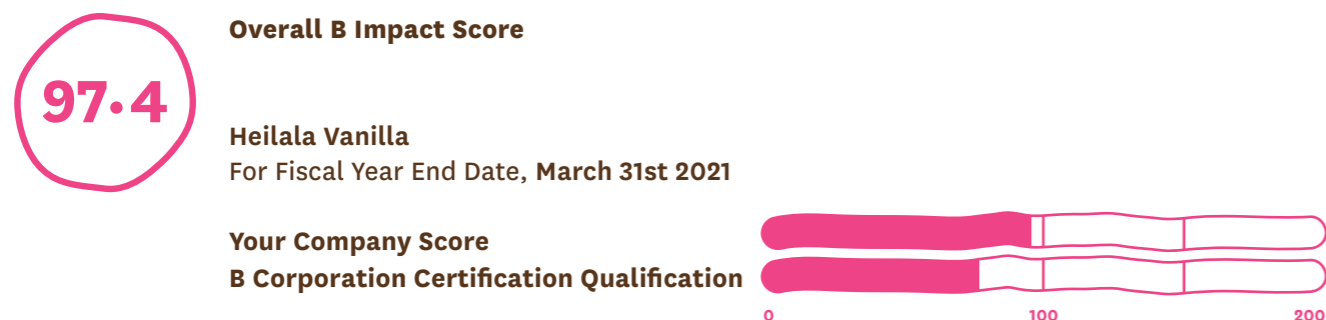
Pictured Left ← Sela has become an expert at communicating via technology and is in regular communication with Heilala's New Zealand based team.

Better Through B-Corp

Benefit Corporation (B-Corp) is a global certification awarded to companies reaching the highest standards of social and environmental performance, public transparency, and legal accountability. Heilala aspires to join the B-Corp global community because its goals encapsulate everything Heilala stands for - positively impacting Tongan communities, being best in class with an environmental footprint, the value of team, and an overriding focus to balance people, planet and profit.

The B-Corp certification process includes an enterprise-wide assessment across five categories: Governance, Workers, Community, Environment and Customers.

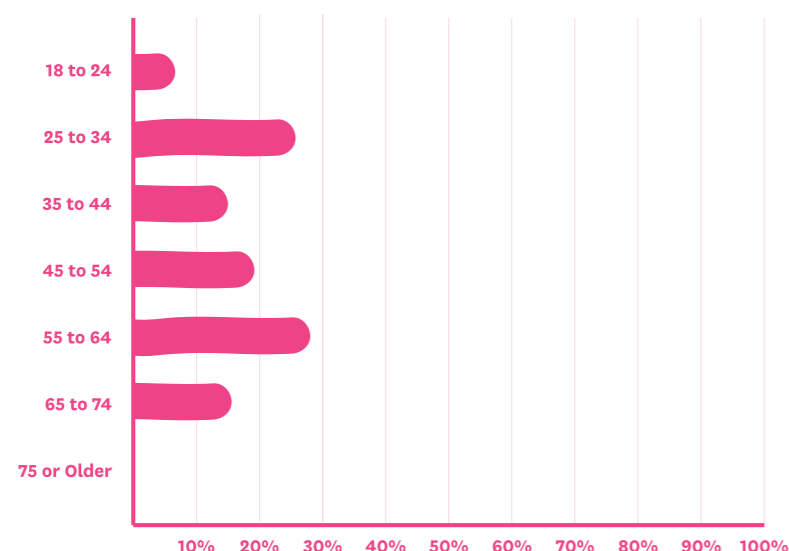
Heilala's initial assessment was submitted in July 2021 and our assessment results indicate that Heilala is well over the points threshold required for certification. Evaluation and verification is now underway. While Heilala awaits certification, B-Corp practices will continue to be implemented across the company.



Team

Diversity and inclusion are important. In a recent **Team Diversity and Inclusion** survey, 95% of our team responded that they felt respected and valued by their team mates, and 95% of the team felt like they belonged at Heilala.

Heilala has an extremely age diverse team, both 25-34 and 55-64 age bands make up 25% of the team. Heilala is proudly a **Living Wage** employer, a policy we have adopted for several years.



Suppliers

This year Heilala introduced a **Supplier Code of Conduct**. The purpose of the Supplier Code of Conduct is to screen suppliers for social and environmental performance so we can increasingly trade with businesses whose values align with our own.

Community

Heilala's focus on both direct and fair-trade principles, paying above global market price to our farmers and the many initiatives that support and build the economic vitality of farmer communities saw us score highly in this area.

The South Pacific country of Tonga is at the heart of the business and the future looks bright.

From the bottom of our hearts, we extend our thanks to our team and partners in Tonga. It is your ongoing support and collaboration that enables Heilala to continue to develop the Tongan vanilla industry and deliver initiatives that positively impact rural village communities.

A community focused business model that supports and builds the economic vitality of Tonga is the driving force for Heilala.

In 2018 Heilala undertook large planting projects in Vava'u. We are eagerly awaiting the first flowers from these plantings which we hope will bloom in September 2022, giving us the first harvest in June 2023. These larger plantings coming onstream will enable us to provide employment for over 200 Tongan women.

In the next 12 months we plan to broaden the scope of our impact with focused initiatives in the areas of environment, team, customers, and suppliers - essentially further bringing to life the B-Corp ethos of putting people and planet on equal footing with profit and furthering our sustainability journey.

We look forward to reporting next year on a successful B-Corp certification and officially joining this global community. In the interim, we are committed to benchmarking our business practices against B-Corp standards.

Our intention is to continue to produce this impact report annually to provide a reliable and visible window of our progress and hold ourselves accountable as **'the good vanilla'**.

We can't wait to share the continuation of our impact with you next year - in the meantime, continue to enjoy Heilala in all your delicious and joyous baking occasions.



www.heilalavanilla.com