## Heilala

# the good vanilla

We are the good vanilla - the world's first and only vanilla company to be awarded B Corp Certification





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The past year has had a profound impact on everyone at Heilala Vanilla. Amidst personal tragedy, extended travel restrictions and an unprecedented natural disaster our vanilla growing communities have shown their resilience, fortitude and the far-reaching impact of people pulling together.

Challenges and achievements over the past 12+ months include:

### 8 October 2021 – Farewell Friend

Heilala's world was forever altered when our dear friend, ally and Champion Farmer Albert Guttenbeil lost his life in a tragic accident in Tonga. Albert Guttenbeil was a visionary and supporter who has walked beside us on our Heilala journey right from the beginning. He is greatly missed.

# 15 January 2022 – Our global community unites following Tonga's disaster

The Hunga Tonga-Hunga Ha'apai volcano eruption triggered a tsunami that destroyed homes, villages, crops and livelihoods. Infrastructure was badly damaged. Communications were down for extended periods leaving our people completely isolated. The ensuing uncertainty

was compounded by an outbreak of COVID-19 severely challenging relief efforts.

In response, Heilala customers from around the world, local and global business communities rallied, donating over NZD \$180,000 to the Heilala Foundation Relief Fund.

Heilala was heartened and humbled by their generosity and goodwill. The Foundation's relief packages were amongst the first aid shipments to reach the island of 'Eua, off the coast of Tongatapu.

#### July 2022 – A World First for Vanilla

We were honoured to announce that Heilala Vanilla is B
Corporation Certified. We are the only vanilla company in the world to have attained this recognition! This achievement puts Heilala amongst only 5,000 companies certified worldwide. B
Corps are unified by one common goal: transforming the global economy to benefit all people, communities and the planet.

We believe that great things can happen when we work together. As we proudly carry the B Corp stamp, the certification acts as a framework for how we operate and make decisions in our company; considering people, sustainability, community engagement and financial performance equally. Through our certification, Heilala hopes to set a new benchmark for the vanilla industry.

#### August 2022 – Together Again

After nearly three years of pandemic-enforced separation, it was deeply moving to finally return to Tonga and be reunited with our team, communities and friends. The adversities of the past year made our reunion all the more poignant and joyful.

Front of mind was the life changing impact the Heilala Vanilla Foundation has had with its carefully considered grant allocation. After the devastation of January's eruption and Tsunami, I found our Tongan communities to be as resilient as ever. Throughout my visit I was touched to see that many things haven't changed; the beauty of the islands, the warmth of people and their infectious laughter that comes so easily in the tropical South Pacific sunshine.

The context of the past 12 months makes Heilala's s purpose—
to empower and improve the livelihoods of agricultural communities in Tonga —even more salient.

Our 2022 report highlights our commitment to deliver on this purpose by building a resilient vanilla industry for Tonga, providing ongoing employment and supporting community projects throughout the Kingdom of Tonga.

Thank you for being a part of our journey.

Malo'aupito,

Jennifer Boggiss CEO and Co-Founder, November 2022







### Heilala Community Impact



We are steadfast in pursuit of Heilala's purpose - to create sustainable livelihoods and empower rural communities in Tonga.

Working together with MORDI (Mainstreaming of Rural Development Innovation), our delivery partner in Tonga, we've been able to promptly execute vital community focused initiatives, even when international borders were closed.

Our support and project work in Tonga is focused across three keys areas;

- Family wellbeing
- Education
- Agricultural projects

As ever, we remain on hand and ready to support Tongan communities in the wake of natural disasters.







# Family Well-being

- A LIFELINE



#### Vaka'eitu Island, Vava'u - Family Outboard Motor

The Wolfgram family live on the remote island of Vaka'eitu. They had a small boat, but without an outboard motor, it made transporting the children to school on Vava'u a challenge and attending medical appointments near impossible.

To make the trip to Vava'u, the family would hire a boat at a cost of TOP \$150 per day meaning they could only visit their school aged daughters Ana, Line and Rose every 3rd month.

Salomi Kaufusi, the family spokesperson outlined to us

that the family are self-sufficient on the island providing for the needs of their household without outside aid or resources which includes living without power. Salomi contacted us and shared that the one item the family needed to make a real difference was an outboard motor for their boat. A motor was sent from New Zealand and unloaded just before New Year's Eve, when Sela, Heilala's Tonga manager presented it to the family.

In August Jennifer was able to meet with the Wolfgrams as they motored to Vava'u to collect Ana, Line and Rose from school. The outboard motor means the girls can now safely return home to their family every weekend. Heilala's donation also means

the family can earn money by bringing their crops to town to sell at the local market.

When the Wolfgram's daughterin-law went into early labour in the middle of the night, the outboard motor enabled them to safely journey in the dark to Neiafu Hospital where their first grandchild - a healthy baby boy was born.

"We are so grateful to Heilala the outboard motor has changed our lives," the family said.

### Education

#### **Higher Education - Field of Dreams**

Seini Fusitu'a was a star pupil at 'Eua high school. Growing up on the remote island of Eua, she dreamed of obtaining a business degree.

Recognising her passion and her potential, Seini's extended family pooled together their savings to fund her first year of business studies at the Tupou Institute in Tongatapu.

Seini has worked hard to achieve impressive results. The first child in her extended family to

receive higher education, Seini is committed to making a difference in her community. Heilala has stepped in to help Seini achieve her goals, and will fund her tuition fees for the remaining two years of her programme.

Jennifer met Seini between her classes in August and it was heart-warming to see first hand the impact this opportunity has had on Seini and her family.

We can't wait to see what the future holds for Seini!



September 2022: Seini and her proud parents at her first year graduation ceremony

### Facilitating Education - 'Eua Schools

Desks, chairs and a whiteboard for two classrooms at Angaha and Ohonua schools on 'Eua.

We know from previous successful projects delivered to schools in Vavaú what a difference the right equipment can make to a child's learning.

This year, we extended our classroom equipment projects to two schools on the island of Eua, where over 60 families lost their homes in the January tsunami.

Once again, we contacted local New Zealand schools. We were thrilled to receive 210 desks and chairs which, together with whiteboards, stationery and sports equipment were shipped to the delighted pupils of Angaha and Ohonua Schools.

#### Mrs Heuifanga Fakateli, principal of Angaha School said:

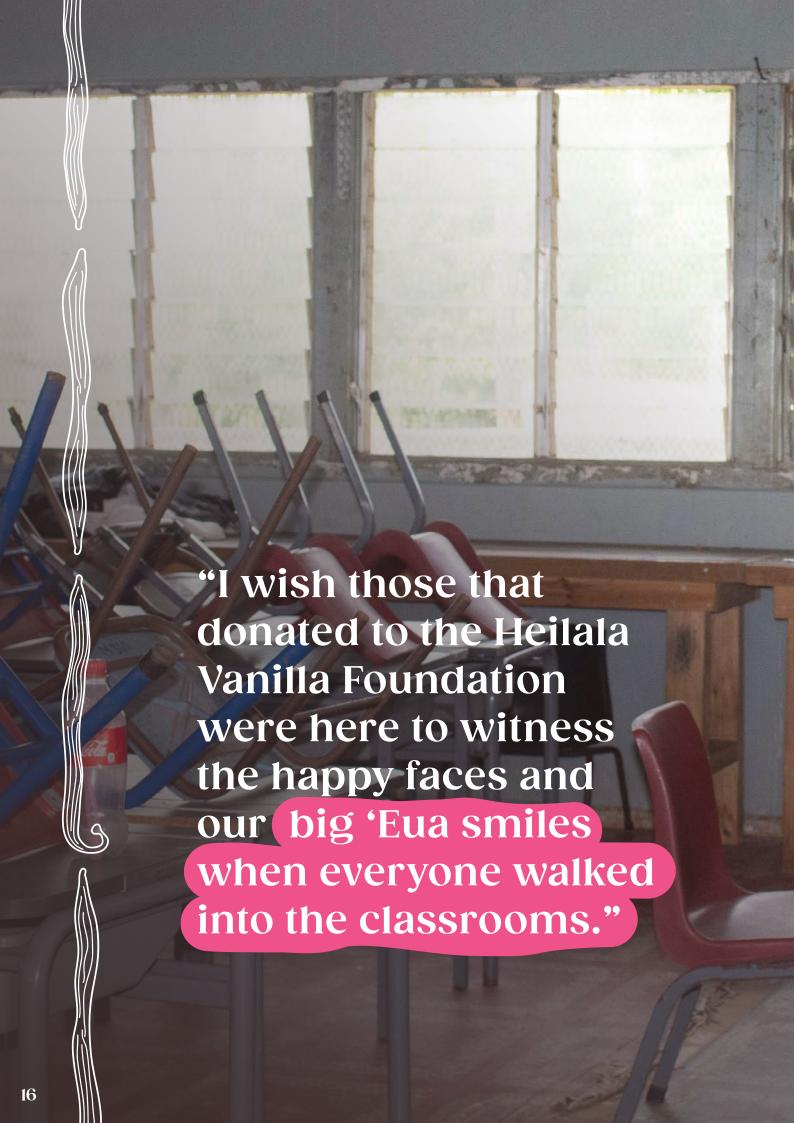
'Until we received the donations, we were just a school getting by. I wish those that donated to the Heilala Vanilla Foundation were here to witness the happy faces and our big 'Eua smiles when everyone walked into the classrooms. That is the look of hope and drive to study hard and to enjoy school with their friends and of course the teachers. Just priceless. Thank you x 100 to Heilala Vanilla'.

'We are not limiting ourselves to growing vanilla, we are also converting opportunities to ensure positive outcomes for communities. If it includes providing for a child in the classroom because they can now sit at a desk with a chair in the classroom – that is just as important to Heilala Vanilla

and the foundation and most importantly to us as Tongans as part of the Heilala Vanilla team, says Sela Latu.



Heilala's donations of class room equipment are making school even better for Tongan children.





### Agriculture

- SECURE AND SUSTAINABLE FOOD SUPPLY

#### Agriculture - Secure and Sustainable Food Supply

Following The Hunga Tonga-Hunga Ha'apai volcano eruption and subsequent tsunami, Heilala relief shipments addressed the immediate community need for food and supplies.

The Heilala Vanilla
Foundation partnered
with NGO MORDI and
their donors to purchase
a 1,000 square metre
shade house to replace
the structure destroyed
in the disaster.

On a recent visit to Tonga we saw the framing erected and the

shade cloth installed across the huge structure.

The MORDI team will shortly start sowing vegetable seedlings and fruit trees which will be propagated in the coming months.

The shade house project is one that is very close to our hearts. In 2023 vegetable plants and fruit trees will be distributed to over 92 rural community gardens. This will help to provide longer term food security and nutritious sustenance for over 10,000 households across Tonga.

Soane Patolo, CEO of MORDI Tonga commented that 'MORDI Tonga have enjoyed a longstanding partnership and collaboration with Heilala Vanilla.

This year we are very appreciative of the support from the Heilala Vanilla Foundation following the January 2022 natural disaster in the re-establishment of the large shade house.

The establishment of the shade house will strengthen solutions to address food and nutrition, livelihoods as well as encourage smart climate agriculture – we are focused on building stronger communities from the ground up and having partners like Heilala Vanilla are a key part of this'.



### January 2022 Disaster Relief

- THE POWER OF MANY

#### Support for 'Eua - The Isolated Island

The eruption of Hunga-Tonga Hunga Haápai really brought home to us the importance of our global community and the crucial role they play in living our purpose.

Heilala Vanilla mobilized quickly after the Hunga-Tonga-Ha'apai eruption to coordinate relief efforts for the island of 'Eua where there is a community of vanilla growing families. Having no means of communication, our priority was emergency food, medical supplies and drinking water.

We spread the word with our global baking community and networks and were overwhelmed by the outpouring of goodwill.

So great was the generosity that donations to our relief fund surpassed NZD \$180,000. These funds enabled the Heilala Vanilla Foundation to provide immediate disaster relief and fast track the establishment of a sustainable funding model for medium to long term support of rural Tongan communities.

### Immediate Support Following the January 2022 Disaster

The Heilala Vanilla Foundation sent to Tonga:

14

### Pallets of Food

Pallets contained 140 food packages made up of rice, flour, sugar, milk powder, cooking oil, drinking water and chocolate.

11

### Pallets of Clothing

Including bedding, toys, and games for families on 'Eua who lost their homes. 2

### Pallets of Household Supplies

Hoses, brooms, shade house supplies (weed matting, seedling trays) for the 'Eua community to assist in clean up and establish a community shade house.

42

#### Covid Care Kits

Including sanitiser, gloves, face masks, thermometer, panadol, soap and electrolytes sent to the 'Eua Medical Centre.

We would like to acknowledge the enormous efforts of Soane Patolo and the team from MORDI Tonga. Without their tireless work clearing shipments through a damaged port and securing delivery to the outer islands, none of this would have been possible.







### January 2022 Disaster

A STORY FROM ANGAHA
SCHOOL PRINCIPAL



Mrs Heuifanga Fakateli
- Angaha Government
Primary School Principal
on the impact of the
education equipment
following the 15th of
January natural disaster
as told to CocoNews
Tonga:

Heuifanga Fakateli is a local born and raised in 'Eua and has been the principal at the Angaha GPS for 11 years. She has had her fair share of natural disasters to deal with in her lifetime as a resident.

Her number one priority following the eruption was to get the school back to 'normal' and have the students return as quickly as possible. It was important the children were supported just as much as their families because they will carry these experiences with them – and children like everybody else aren't as equipped and mature to deal with trauma in different ways.

Volcanic ash blanketed the school and student resources and materials that were on their 'last-legs' were not salvageable. Instead of waiting for government assistance and the usual disaster aid relief, Fakateli bought staff, community, and students together to clean and get the school ready for students to return to for learning.

At a local Parent & Teachers
Association (PTA) meeting
Fakateli requested for assistance
with school resources and
supplies given that they were
having to work with substandard
equipment and furniture that
had sustained damage from both
tropical cyclones Gita (2018) and
Harold (2020).

'This is what we need to continue the education for our children and our community. We have to work together as teachers, parents, and community to help each other so we can overcome all obstacles we face in life and in school. I want to drive resilience and a 'never-give-up' attitude

with the students. I don't want them to give up - They have a right to quality education under my care and my duty is to help both my staff and students to strive for a better future.'

The receipt of desks and chairs together with boxes of cleaning supplies and hand sanitiser packs were received as a result of Heilala Tonga Manager Sela's attendance at the local PTA meeting after she relayed back to the Heilala Vanilla team in New Zealand the schools' immediate need for school supplies.

Principal Fakateli has the drive and passion to see her students gain the best education and produce high achievers such as those required to gain entry into the prestigious Tonga High School. However, holding a position of influence comes with the additional task of ensuring that you're in preparatory mode of the school, the teaching staff and the students for all planned and unplanned events.

# The Heilala Vanilla Foundation

#### Heilala Vanilla Foundation

The Heilala Vanilla
Foundation was formed
in 2013. In January 2022
an application to the NZ
Charities Commission for
taxable donee status was
successful.

This allows New Zealand taxpayers to receive tax deductions on their donations to the Foundation.

The Heilala Vanilla Foundation will continue to focus on family wellbeing, education and food

security in Tonga and, if required, natural disaster relief.

Heilala is committed to future proofing our impact model. From 1st April 2022 five cents of every unit of Heilala Vanilla product sold is donated to the Foundation.

The Foundation's 2023 report will outline the projects we have supported and the impact we are having.



#### Friends of the Foundation

Our communities in Tonga have benefited from some very practical donations. From the Heilala business community. We are deeply humbled by their generous support.



New Zealand honey company Comvita donated 12 beehives and other beekeeping equipment and training for the MORDI team to commence a 'save the bees' project.



A donation of eight pallets of seed raising mix and potting mix from leading gardening supplier Tui was instrumental in rebuilding the MORDI shade house which was destroyed on January 15. Tui's donation provided planting material for over 10,000 plants.

### GARMIN

Garmin provided a radar for navigation, a depth sounder, marine radios, handheld satellite phones for communication with outer islands, life jackets, and emergency locator beacon for use on MORDI's boat. Safety equipment for the MORDI vessel is imperative to ensure safe delivery of supplies and food for emergency relief.

### bon appétit

Heilala has been a favourite in the Bon Appetit test kitchen for several years. The team at the leading food publication mobilised quickly following the disaster to spread the news of our relief fund via multiple community newsletters.

### Vanilla Farming

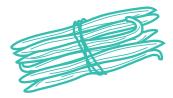
#### Vanilla Farming Impact

Heilala sources Tongan vanilla from our own plantation, small holder growers and also the Guttenbeil Family.

Together with the Guttenbeil family we are committed to keeping Albert Guttenbeil's legacy alive following his sudden and tragic passing in October 2021. We are determined that Albert's vision for a world leading vanilla industry for Tonga comes to fruition.

Heilala uses various metrics to assess our impact on the vanilla industry and economic development in Tonga, including the amount of vanilla grown by small holder farmers.

This year the volume of vanilla produced by smallholder farmers increased by a record 85%. Small holding farm numbers are stable. It is encouraging to see the increase in yield which will have a long-term positive impact on livelihoods and wellbeing.



85% Increase in smallholder vanilla

### **Supporting Local Community with Best Practices in Vanilla Farming and Agroforestry Practices**

MORDI, Heilala and the community of Vaimalo united to plant over 785 Kauri Trees and a similar number of Vetiver grass plants on the Fangiliki Royal Estate in Vava'u.

The fast growing Pacific Kauri trees will provide wind breaks for the vanilla plantation and the Vetiver grass assists with soil erosion. Both are also efficient sources of carbon.

Working jointly with the community facilitated learning on best practice and enabled twoway knowledge transfer.



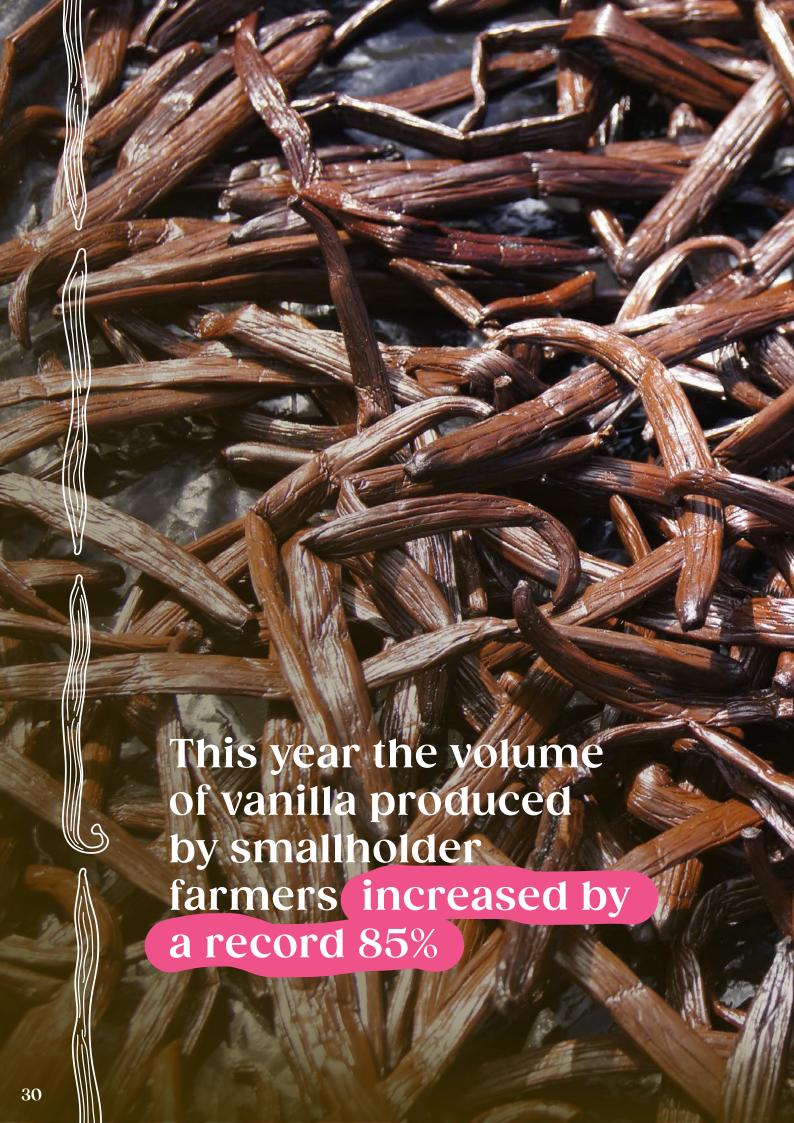
785 Kauri Trees planted

To sheild wind from the vanilla plantation



700+
Vetiver Grass plants planted

To help prevent soil erosion





# An Update from Sela

#### Update from Sela Latu, Farm Manager, Tonga, November 2022

This year has been a year of challenge and change for myself, my husband Rocky and our three children.

On January 15th I was in Vava'u visiting my family for Christmas and New Year holidays when the Hunga Tonga-Hunga Ha'apai volcano erupted. At first we didn't know what had happened - it was terrifying. For over three weeks we had no communication, and no idea if our family on 'Eua were alright.

At last, we were able to get a message through satellite phone to 'Eua and were relieved and thankful to hear that my parents and sister were okay.

It was seven weeks before we were finally able to return to 'Eua. By this time Covid was spreading throughout Tonga. It was an anxious time - we were very worried. We did not know how it would affect our community, particularly my parents, elders and also those who already had health conditions.

We were all so relieved to finally make contact with Jennifer and the Heilala team in New Zealand. Communication was unreliable and some days I would have to travel to the other side of the island to get reception. Together we arranged to get emergency supplies for the Heilala community. MORDI were great and arranged transportation from the main island. In the weeks that followed I spent many hours clearing the shipments as they arrived on 'Eua. This all had to be done socially distanced with COVID restrictions in place. I'm not going to lie, it was really hard.

In May when the vanilla season started on 'Eua, my sister, mum and I set about buying from small holder farmers on 'Eua. In July Rocky and I travelled back to Vava'u to prepare for the vanilla season there. After all that had happened it was very difficult to leave my children behind on 'Eua for such a long time.

On Vava'u I set up our team to maintain and develop Heilala's plantation on His Majesty estate

at Vaimalo. This was a lot more responsibility for me, and I love the opportunity Jennifer and John have given me. I take pride in leading the Heilala Vanilla team and our development in Vava'u. It means I can work with my husband and a team from our local community. After settling into my new role, I made the decision to move my children from 'Eua to Vava'u. They have started at the local primary school. They are enjoying being back with their cousins and extended family in Vava'u. I love being close to them everyday.

This year we are very excited to harvest the first vanilla beans from His Majesty's estate. Right now it's November and we are busy hand pollinating flowers. After all we have been through we are so happy to be seeing more and more flowers everyday. We are hopeful and pray that there is no cyclone over the summer and will look forward to next year and our first commercial crop from Fangiliki Estate which will call for a big celebration and party.



### B Corp Certification

#### **B Corporation Certification**

#### Our team was thrilled to learn in July 2022 that Heilala had become a Certified B Corp.

Heilala finished the process with an impressive 104.7 points becoming the first vanilla company in the world to receive this prestigious certification. This achievement has generated a deep sense of pride throughout the entire team at Heilala.

### Why is being a B Corp important to Heilala?

Being a Certified B Corp means we join the global movement of companies that have made it their mission to do business responsibly. Our certification validates our impact claims, and provides evidence that Heilala is actively seeking to make the world a better place.

We do that in the way we treat

our team, help the community, are governed, work to reduce our impact on the environment and make our customers' lives better.

Moving away from the profit above all else mentality is something we are genuinely committed to. It takes extra resources, a lot more time, and there are costs that competitors don't bear. Commitment is what defines the B Corp movement, because helping to solve social and environmental problems through business is hard.

We are so proud to join so many great companies doing things in a better way.

#### What's Next? Improve, Repeat, Recertify

Every three years all certified businesses are required to go through the certification process again and demonstrate improvement. The assessment looks at every aspect of our business. The BCorp points system provides a roadmap for our constant improvement.

Our initial assessment helped us identify key focus areas enabling us to create an ESG framework with key goals over the next three years. As proud as we are to have reached our goal of certification, we see this as a starting point on a continuous improvement journey. We have set ourselves some special and impactful goals across our team, our Tongan community and the environment.



### **Overall B Impact Score**

Based on the B Impact assessment, Heilala Vanilla earned an overall score of 104.7. The median score for ordinary businesses who complete the assessment is currently 50.9.



- 104.7 Overall B Impact Score
- 80 Qualifies for B Corp Certification
- 50.9 Median Score for Ordinary Businesses

# Our Future Focus



#### Our sustainability goals center around three key pillars: People, Community, and Environment.

There is a lot to be done. We have identified key areas of impact for each pillar. These are aligned to the United Nations Sustainable Development Goals. Under each impact goal we have outlined why these are important areas of focus and broken down our challenges and corresponding annual targets until the end of 2025. We'll be sharing our progress on these important goals in next year's Impact Report.

Thank you for being part of our journey as we stand committed to building a sustainable business that is centered around 'Vanilla For Good' and bettering lives in Tonga's rural communities.

AROUPS

Malo'aupito

Jennifer



### A Once in a Lifetime Natural Disaster

- 15TH JANUARY 2022

On 20 December 2021, an eruption began on Hunga Tonga-Hunga Ha'apai, a submarine volcano in the Tongan archipelago in the southern Pacific Ocean.

The eruption reached a very large and powerful climax nearly four weeks later, on 15 January 2022. Hunga Tonga-Hunga Ha'apai is 65 km (40 mi) north of Tongatapu, the country's main island, and is part of the highly active Tonga-Kermadec Islands volcanic arc, a subduction zone extending from New Zealand north-northeast to Fiji.

The eruption caused tsunamis in Tonga, Fiji, American Samoa, Vanuatu, and along the Pacific rim, including damaging tsunamis in New Zealand, Japan, the United States, the Russian Far East, Chile. and Peru. Three people were killed, some were injured, and many were missing for days following the tsunami waves up to 20 m (66 ft) high across Tonga's island group. It was the largest volcanic eruption since the 1991 eruption of Mount Pinatubo, and the most powerful eruption since the 1883 eruption of Krakatoa. NASA determined that the eruption was "hundreds of times more powerful" than the atomic

bomb dropped on Hiroshima. The eruption was the largest explosion recorded in the atmosphere by modern instrumentation, far larger than any 20th century volcanic event or nuclear bomb test. It is thought that in recent centuries, only the Krakatoa eruption of 1883 rivalled the atmospheric disturbance produced.

Initially little information was made available on the extent of damage and casualties from Tonga due to communication issues involving a damaged undersea cable. The New Zealand Defence Force described the damages as "catastrophic" on the first fly over and there were some reports of residents in Tonga struggling to breathe as a result of the ash.

Various assessments by Government and overseas agencies reported all structures were destroyed on Mango Island, only two buildings remained intact on Fonoifua Island, and Nomuka Island suffered major damage. Twenty-one homes were destroyed and another 35 were seriously damaged on Tongatapu's west coast. Eight homes were demolished and 20 seriously damaged in Nuku'alofa. 'Eua Island saw the loss of 2 homes and 45 damaged. An assessment by the United Nations Institute for Training

and Research (UNITAR) revealed extensive damage on Atatā Island; at least 72 buildings were affected by the tsunami and the whole island was blanketed by ash. Early reports said Atatā Island, which is located off the main Tongan island near Nuku'alofa, was submerged by the tsunami. On Tongatapu, 50 homes were destroyed and 100 more suffered damage.

The World Bank's damage assessment report for the Tongan Government stated that the eruption and tsunami caused damage estimated at US \$90.4 million; ~18.5% of Tonga's total gross domestic product (GDP). The Global Facility for Disaster Reduction and Recovery reported that 600 buildings including 300 homes were damaged or destroyed by the tsunami. The damage was estimated at US \$43.7 million. At least 85% of Tonga's agricultural industry was severely affected by damage to crops and fisheries, estimating at US \$20.9 million. Damage to roads, bridges, ports and submarine cables were an estimated US \$20.9 million. The clean-up cost is also an additional US \$5 million.

Source: Wikipedia.org



Satellite imagery shows the Hunga Tonga-Hunga Ha'apai volcano in Tonga on Jan. 6, days before it erupted. DigitalGlobe/Getty Images file

