

JOINT EFFORT ENTERPRISE

2018/2019 Annual Statement

a report on our _BLUEPRINT

Version 2.0

ABOUT THIS REPORT



We live in extraordinary times. Politically, economically and environmentally, our world is experiencing a convergence of events which are testing the resilience, of governments, businesses and people in every corner of the planet.

Blue Skies is a business that has always anticipated and adapted to change. Whether it's supply chain disruption, or failed crops, we have always managed to pull together and keep the business in good shape. For us, this is what sustainability is really about. It's not about giving back or being seen to be doing the right thing, it's actually about having foresight and recognising the interconnectivity between what we do and everything in the world around us.

This belief is at the heart of our Joint Effort Enterprise (JEE) model. Fundamentally, it enables us to anticipate the challenges that lie ahead, and

respond in a way that respects the people and the environment that our JEE depends on. But it's also about taking moral responsibility and acting not just based on what the market wants or what's good for our reputation, but acting based on our inherent human instinct to do what is right, and avoid doing what we know is wrong. Ultimately, when you have good people, you have good fruit, and for us - that's good business!

This report is our attempt to articulate the values that Blue Skies is built upon and explain how we believe these values will enable us to react to the challenges we and our planet face over the coming years.

Anthony Pile. Chairman, Blue Skies Holdings Ltd

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This report covers the relevant and significant social, ethical and environmental issues for the period 1 July 2018 to 30 June 2019. It aims to provide our stakeholders with an overview of our performance in these areas. For more information, contact Simon Derrick, our Head of Corporate Communications on <u>simon.derrick@blueskies.com</u>

2018-2019 HIGHLIGHTS



73% of our business was value added at source

<u>~</u>

We employed

over 4,000

people

We turned over £100m and generated £4m profit



We sourced fruit from 59 LEAF Certfifed farms



We recycled or reused over 80% of our waste



We completed our 100th Foundation project in 2019



345678910

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85% of our packaging was 100% recyclable



We reduced

our energy

consumption

bv 10%

We reduced our water consumption by 14%

FOR THE LOVE OF FRESH





Blue Skies was founded in 1997. We are a multi awardwinning fruit company that produces fresh-cut fruits, freshly squeezed juices and dairy-free ice-creams for leading retailers around the world. The company is head-quartered just outside Northampton in the UK and has production sites in Ghana, Egypt, South Africa, Brazil, Senegal, Ivory Coast and the UK.

We believe in 'Adding Value at Source', which means we aim to make the finished product in the country or region where the fruit is grown. By doing this, we return more value to the communities that produce our fruit, through employment, skills development and technology transfer, and we can deliver products that are Fresh from Harvest.

REDEFINING FRESH

Founded by British Entrepreneur, Anthony Pile, Blue Skies was born out of Anthony's vision to offer fresher and better fruit by putting the factory where the fruit was, and delivering 'ready to eat' fruit salads which were 'fresh from harvest' in as little as 36 hours.

By establishing a factory at source despite others telling him that it was too risky, Anthony proved how determination, conviction and belief in others, can bring an idea to reality.

It is this entrepreneurial spirit that underpins the business today. The Blue Skies culture is one which encourages people from all walks of life to pull together as a family and make the impossible possible. This is what has enabled Blue Skies to endure and to stay ahead of our competition. It is what enables us to go to extraordinary lengths to produce the freshest possible fruit, and to overcome the challenges no matter what is thrown at us.

All for the love of Fresh.

Key Facts:

- Award Winning Producers of Fresh-Cut Fruit, Freshly Squeezed Juice, Ice Cream and Ice Lollies
- We employ over 4,000 people in factories in Ghana, Egypt, South Africa, Brazil & UK
- Supply 20+ major global retailers.
- Key markets include UK, France, Netherlands, Denmark and Switzerland
- Process pineapple, mango, pomegranate, melon, passion fruit, coconut, apple, orange, grapefruit and more...
- Winner of Queens Award for Enterprise in 2008, 2011 and 2015 and 2018 FPC Supermarket Supplier of the Year.



GOVERNANCE

At Blue Skies, we believe sustainability should be firmly embedded within the business. For this reason, it is our Executive Committee and not a separate sustainability committee. that is responsible to the Board for the oversight of Blue Skies Joint Effort Enterprise policies and Blueprint Objectives.

Membership of Associations

- Association of Ghana Industries (Ghana) .
- Campden BRI (UK)
- Food Network for Ethical Trade (UK)
- Fresh Produce Consortium (UK) .
- Linking Environment and Farming (UK)
- Produce Ethical Network (PEN) (UK) .
- Stronger Together .
- UK Ghana Chamber of Commerce (Ghana)
- SEDEX (UK) .
- Businesses in Environmental Stewardship . Network (BESNet)(Ghana)

External Initiatives and Certification

- GlobalGAP .
- Linking Environment and Farming (UK)
- Fairtrade .
- British Retail Consortium
- SMETA
- FSC 22000 (ISO 22000) .

BOARD OF DIRECTORS



Hugh Pile Chief Sales and Marketing Officer



Frank Braeken Non Executive Director

Harriet Churchill Non Executive Director









Bruce Parsons Non Executive Director



Sarah Stevenson Non Executive Director

EXECUTIVE COMMITTEE

Anthony Pile Chief Executive Jenny Pile Purchasing **Stephan Morris** Technical



Vijay Gulati

Hugh Pile Sales & Marketing

Paul van Breukelen European Sales





Procurement



GENERAL MANAGERS









Andre Veldsman South Africa



Sabine Hill UK

> Flavia Mometti Brazil



Ekramv Kamal Egypt (Branded)



OUR FRESH FROM HARVEST PHILOSOPHY

Our Fresh from Harvest philosophy is sacrosanct. It is key to enabling us to provide only the highest quality, best tasting fruit products you can find. Our approach is simple: Our fruit is harvested only when fully mature, cut when naturally ripe and then delivered **fresh from harvest**.



GROWN WITH PRIDE

We work closely with growers to achieve the highest standards in quality, ethical trade and environmental care. We adhere to a number of international standards including Fairtrade and LEAF.



HARVESTED WHEN MATURE

Our fruit is harvested at its optimal maturity to ensure the best possible taste. It is then delivered to our factories the same day, where it is hand selected for quality and ripeness before entering our High Care Production facility.



CUT WHEN NATURALLY RIPE

Our experienced and highly trained fruit experts work with the greatest level of diligence and skill to cut and prepare freshly harvested fruit at our certified facilities in Ghana, Egypt, South Africa, Brazil and the United Kingdom.



DELIVERED FRESH

The finished product is delivered over night in order to reach our customers the very next day. Fruit is transported at a constant temperature between 0 and 5 degrees celsius ensuring it arrives tasting truly fresh from harvest.

OUR PRODUCTS

Blue Skies has grown from its ability to supply the highest quality fresh-cut fruit products in volume, to retailers around the world. The business predominantly supplies 'own label' products to a number of retailers including Waitrose and Sainsburys in the UK, Albert Heijn in the Netherlands and Monoprix in France.









Some of the awards received by Blue Skies products in 2018

OUR GROWING BRAND

Blue Skies have recently ventured more in to the branded territory. There are several reasons for this. The first is to help us in our quest to 'waste nothing'. When we launched a branded juice product in Ghana in 2007, we wanted to make sure that we used all of the fruit. So for any chunk or slice that was too small for a fruit salad, we decided it should be freshly squeezed and sold on the local market as a high quality, fresh tasting juice. It just made sense from an economic and an environmental perspective.

The second reason is **market access**. Having our own brand helps us to enter new markets in parts of the world where fresh-cut products aren't established. Being able to offer a branded product, enables us to get in quickly so that we can develop a presence and react fast.

The third reason is diversification.

In a rapidly changing world, we need to be constantly innovating and finding new products to meet evolving consumer tastes. We cannot take for granted that the high volume lines of today will be the high-volume lines of tomorrow. Having our own brand enables us to test new concepts to meet the needs of the future.

Our range of branded products includes freshly squeezed juice, dairy-free ice-cream made with fresh coconut milk and fresh fruit ice-lollies.







FROM A NETWORK OF FRESH FACILITIES



We operate a network of facilities to ensure we are as close as possible to where the best fruit is. We have factories in Ghana, Egypt, South Africa, Brazil and the UK. We also have pack-houses in Senegal and Ivory Coast and farming operations in Ghana .

SUPPLYING **GLOBAL** MARKETS

Blue Skies supply over 300 customers in 11 countries. We are renowned for our high service levels and market leading quality which have enabled the business to grow. We also adhere to a number of international standards including GlobalGAP, BRC, Sedex, LEAF and Fairtrade.

Country	Customers Own Label	Customers Branded	
Belgium Denmark	1	0 0	
Dubai Equat	0	1 20	54
Egypt France	4	1	Custo Supp
Ghana Italy	0 1	297 0	Subb
Netherlands	1	0	
South Africa Switzerland	3 1	3	
UK	8	3	

Number of retail or food service customers supplied by country



Customers Supplied

Countries



Complaints per million units 41.7

ADAPTING TO A CHANGING WORLD

Divinci Institute, in 2030 we will have over 4 packages delivered to us each week by drone, we will travel 40% of the time in a driverless At the same time scientists warn car, we will use a 3D printer to print hyper-individualized meals, 2 billion jobs will become obsolete or replaced by robots, over 50% of today's Fortune 500 companies will have vanished and India will have overtaken China as the most populous country in the world. But there are also some serious warnings. The Population Institute predicts that by 2030 the global population will reach 8.3 billion people, demand for food will grow by 40% forcing 200 million people to the brink of starvation. demand for energy will grow by 45%, pushing energy prices to record highs, 4 billion people will live in areas of high water stress, and we'll be on the brink of the worst effects of climate change. It makes for sober reading.

But we don't need to look too far in to the future to see that things are already beginning to change. A high level meeting convened by the UN General Assembly recently announced that just over a decade is all that remains to

According to Thomas Frey at the stop irreversible damage from climate change, prompting many governments around the world to declare climate emergencies. that biodiversity and soil fertility is declining at an unprecedented rate, threatening the extinction of one million species and undermining the entire natural infrastructure upon which our modern world depends and we are told that an estimated 12.7 million tonnes of plastic end up in our oceans each year.

> The world in 2030 may look very different to the world we know today, and for that reason Blue Skies must be ready to take responsibility and adapt. From using more sustainable packaging to reducing consumption of water and energy, minimising waste and cutting our emissions - it has never been more important for us all to act. Whether it be the product ideas we develop, the way we grow them, the way we manufacture them or the way we distribute and market them, all our decisions must be based not only be on how much margin we make, but also what impact they have on people and planet. Our triple bottom line.

"Humanity will change more in the next 20 years than in all of human history"

Thomas Frey

OUR APPROACH



for a sustainable business. It something that is 'bolted on' brings together the elements to our everyday business. It that underpin our approach, IS our everyday business. This including our mission, values, is why our business model is and the core beliefs that also our sustainability model. constitute what we call our Joint Effort Enterprise. It is And when it comes to evaluating these elements that enable us our performance, we don't to respond to the challenges just look at how much money and opportunities that come we make, we also look at with an ever changing world. our impact on people and our

We believe in the definition commonly known as the 'triple of as "development that meets we look at our 'profit', we look the needs of the present at it in terms of generating a without compromising the 'positive return' - economically. ability of future generations environmentally and socially. to meet their own needs".

The Blue Skies Way is our plan Sustainability however is not

impact on the planet - or what is sustainable development bottom line'. Therefore, when

THE BLUE SKIES WAY

The Blue Skies mission is to build together a profitable enterprise where people respect each other, care for the environment and inspire a legacy for the future.



We believe in 'Adding Value at Source' This means we aim to make the finished product in the country or region where the fruit is grown.



By doing this we return more value to the communities that produce our fruit, and we can deliver products that are **Fresh from** Harvest.

To achieve our mission, our business is founded on three core beliefs that make up what we call our Joint Effort Enterprise

OUR JOINT EFFORT ENTERPRISE



We are Strengthened by Bound by our culture of our Diversity

We break down the barriers that divide us and embrace the qualities that make us different. This strengthens our experience, agility and resilience.



Respect

We believe that care for our people breeds care for our fruit, which in turn fosters a natural respect for the environment and the communities where we exist.



Driven by generating a **Positive Return**

We aim to generate a positive return that benefits all our stakeholders without negatively impacting the communities and the environment upon which we depend.

MAKING IT HAPPEN MEASURE ENGAGE ACTION!

Our **Measure Engage Action** methodology enables us to operate a cycle of continuous improvement based on being able to understand our impact, define our priorities and quickly implement actions to improve. Measure Engage Action is fundamentally intended to be fully integrated within our day to date business. Our **Reporting** is coordinated and compiled by our Head of Corporate Communications with data being collected through our General Managers. **Stakeholder Engagement** is carried out at both a group level and at our subsidiaries, again through our General Managers but also using workshops at our annual budget conference and through an external stakeholder survey. Finally **Actions** are implemented through our budgeting and innovations processes and by action groups made up of key people from each of our sites.

ACTION GROUPS

Action Groups are made up of 4-5 people who usually meet once a month. Their aim is to brainstorm and implement ideas to help us meet our Blueprint commitments. An Action Group will typically focus on one priority area each month and look for low-cost quick wins which can be easily implemented. Action Groups also carry out 'Sustainability Walks' where members walk through a location or process to look for opportunities to improve.

TASK FORCES

Task Forces are deployed to tackle more specialist priority issues that need a group-wide solution. Each Task Force is assigned an Exec Sponsor and a Project Lead. Issues are identified through workshops and conference discussions. Examples of topics include areas like operational efficiency and adapting to the effects of climate change.

BIG IDEA

Our Big Idea platform ensures we have a mechanism for considering as many ideas as possible that can help us to meet our Blueprint commitments. All ideas go through a screening process before



being polled to our Group Executive Committee with approved concepts being pitched and then developed further if supported.

BLUE PRINT AWARDS

Our Blueprint Awards are designed to capture and share examples of best practice across the business. The awards are held annually at our Budget Conference with prizes given to winners



in three categories; care for people, respect for the environment and driving efficiencies. There is also an award for the best Big Idea.



OUR IMPACT

As a business, our greatest impact comes from **'adding** value at source'. We employ over 5.000 people at our facilities in Ghana, Egypt, South Africa, Brazil, Senegal, Ivory Coast and the UK. By making the finished product in the countries where the fruit grows, we are naturally closer to our farmers and return more value to communities through iob creation, skills development and technoloav

Enabling Agriculture is an with our customers Waitrose area where our business makes and Albert Heijn, we're helping a significant difference. The to address basic needs by high volumes we consistently funding projects such as clinics. produce provides farmers with a reliable, ready market that pays promptly. Our agronomy teams provide farmers with continuous training and support. The business also assists by covering certification costs for small-scale growers and, in some cases, providing soft loans to help farmers build capacity.

also train people in we new skills. Skills like coldchain management, process

engineering, logistics and quality assurance are typically areas that our people become experts in. We're training the next generation of industrialists! And by brining in the latest technologies to grow and manufacture our products, we're helping to improve efficiencies and reduce post-harvest losses.

We also have an impact on the communities where our staff and transfer. our farmers live. With the Blue Skies Foundation in cooperation schools and resource centres.

Lastly, by employing people and paying a decent salary, we're helping to create a new middle-class in some of the countries where we operate. In Ghana for instance, many of our staff have invested in small businesses and have more disposable income to spend By adding value at source, on healthier foods, education, and access to information



Enabling agriculture



Supporting communities



Developing skills



Providing employment



Transferring technology



Creating a new middle class



In 2018, we surveyed our Executive Committee and General Managers, and a cross section of all our stakeholders to determine what our priorities should be for the next twelve months. We asked our stakeholders what areas were important to them, and we asked our Executive and General Managers the level of impact each area had on the business. The areas were based on GRI (Global Reporting Initiative) Standard Disclosures (https://www.globalreporting.org/standards)

In total, 119 stakeholders took part in the stakeholder survey. 54% of responses were from our staff. 6% were from retailers. 15% from consumers and 8% from suppliers. Results were ranked based on the average score given for each area and plotted on a materiality index, as shown below. Our top ten priorities were based on the areas that scored highly in terms of both their importance to stakeholders and impact on the business, however we placed more weight on business impact because of their immediate relevance based on the perspective of the people who know the business the best.





OUR TOP TEN PRIORITIES

- Procurement Practices
- 2. Economic Performance
- 3 Labour / Management Relations
- 4. Biodiversity

1

- 5. Effluent and Waste
- 6. Local Communities
- 7. Packaging and Materials
- 8. Energy
- 9. Water
- 10. Health and Safety

OUR BLUEPRINT

Our Blueprint is a set of commitments based on our top ten priorities as determined by our 2018 stakeholder engagement and senior management surveys. As a business we have taken the decision to move away from targets, as they tend to either hold us back from going further, or demotivate us if they become unachievable. We have therefore adopted a 'Towards ZERO' policy, where we actively seek to minimise our impact as far as feasibly possible in areas such as energy and water consumption, waste to landfill and emissions, and maximise our beneficial impacts (e.g. our 'positive return') in areas such as our profitability and community support.



WE PROMISE...



To always buy with integrity, fairness and professionalism, and to source as much as possible from local suppliers with shared values.



To optimise the profitability of our business by operating as efficiently as possible, but not at any cost and never at the expense of our values.



To provide the best possible place to work, where everyone is equally valued and respected and where everyone has a voice.



To minimise the impact our business and supply chain have on biodiversity, ensuring as far possible that nature and wildlife are able to thrive.



To minimise the amount of waste that we produce and ensure that as little of it as possible goes to landfill, and as much of it as possible is either reused or recycled.



To always engage with our local communities and provide appropriate support where it is within our means.



To minimise the environmental impact of all our materials, both in terms of how they are sourced, how they are used and how they are disposed of.



To use as little energy as possible and ensure that as much of it as possible comes from a sustainable source.



To use as little water as possible and ensure that as much of it as possible comes from a sustainable source.



To provide the safest and healthiest possible working environment for all our people.



Blue Skies are committed to the aims of the United Nations Sustainable Development Goals (SDGs) - a framework of international priority areas to tackle the biggest challenges facing the world. Where possible, we have tried to link each of our commitments to relevant SDG's, to show how our business can make a meaningful contribution to progress towards these goals.

PRIORITY 1.

RESPONSIBLE

CONSUMPTION

AND PRODUCTION

PROCUREMENT PRACTICES

We are committed to always buy with integrity, fairness and professionalism, and to source as much as possible from local suppliers with shared values.

From the beginning Blue Skies has been able to deliver the best quality fresh from harvest fruits, because of our close proximity to our farmers. Our procurement and agronomy teams work together closely to provide support where it is needed to help farmers overcome technical and commercial barriers in order to access international and local markets. Our culture of respect extends to all our suppliers. ensuring we treat the people we source from with fairness and respect.

PROMPT PAYMENT

We pride ourselves on our fair payment terms and aim to pay all our suppliers within sixty days from invoice.



FARMER ASSISTANCE

Our agronomy teams work closely with our growers to provide continuous training and support. Where needed, we help small farmers by providing soft loans and covering the costs of certification to standards such as GlobalGAP, LEAF and Fairtrade. We also take a lead role in helping farmers to counter threats such as anthracnose, fruit fly and bacterial blackspot.

SUPPORTING LOCAL

Related Sustainable Development Goals:

2 ZERO HUNGER

(((

Where possible, we always seek to support suppliers located near to our facilities, whether that be in Europe or at any of our subsidiaries in Africa and South America. This naturally applies to our farmers, but also extends to our suppliers of materials such as packaging, and services including printing and IT.

2ND PARTY AUDITING

We have pioneered a second-party ethical auditing system for our fruit suppliers which seeks to actively recognise and encourage progress, rather than merely ensuring compliance.





PRIORITY 2.

ECONOMIC PERFORMANCE

We are committed to optimising the profitability of our business by operating as efficiently as possible, but not at any cost and never at the expense of our values. Related Sustainable Development Goals:

 8
 DECENT WORK AND ECONOMIC GROWTH

 Image: Structure of the str

2018 saw a resurgence for Blue Skies following a tough 2017 and continued uncertainty around Brexit. In 2018, we established three new strategic pillars to ensure our sustainability, whilst upholding our high-quality standards and consistency of supply. They were to protect and grow our core accounts, to expand into new territories and launch new products in new categories.

GROWING THE CORE

In 2018, we provided a comprehensive category analysis for all our customers, delivered ongoing high service levels of over 98%, maintained our award-winning fruit quality and managed to grow sales by 9%.

INNOVATION

In 2018, we launched our first dairy-free ice-creams and developed a new range of fresh-fruit ice-lollies. Both products were launched to high acclaim with ice-cream winning awards from Great Taste and the Grocer.

NEW MARKETS

and we have launched

Egypt.

We are making significant progress towards entering the USA and UAE markets

branded juices in Brazil and







MATE FOR OUR PEOPLE

We are committed to providing the best possible place to work, where everyone is equally valued and respected and where everyone has a voice.

The Blue Skies culture is built on the values of fairness, trust and respect. At each site we operate a 'seamless society' where we treat everyone with equal respect, regardless of gender, age, colour, creed or rank. It is this culture that enables our people to pull together to overcome hurdles and bring about success. This is why we take special care to look after our people, by promoting diversity. offering equal opportunities, providing amenities at each of our facilities, and protecting human rights.

FAIR WAGE



Average lowest salary above minimum wage

DIVERSITY AND EQUALITY

We have over twenty nationalities working for Blue Skies with women represented at every level of the business, including as General Managers leading four of our subsidiaries. We provide equal opportunities for professional development and we fund training and education where needed.

Mean Gender 3.3% Pav Gap*

Median Gender 1.6% Pav Gap*

*Based on consolidated figures for the whole group (excluding Egypt). See page 27 for the full break down of figures

Related Sustainable Development Goals:



AMENITIES

PRIORITY 3.





PROTECTING BIODIVERSITY

Related Sustainable Development Goal:

PRIORITY 4.

We are committed to minimising the impact our business and supply chain have on biodiversity, ensuring as far possible that nature and wildlife are able to thrive.



We are a business that sources only the best fruit, and the best fruit only comes where there is good soil and abundant wildlife. This is why Blue Skies does all it can to protect and encourage areas of biodiversity by ensuring our farmers adopt the best environmental practices and by seeking to protect wildlife and nature wherever we operate.



PROTECTING BATS

In Ghana, we have installed bat boxes on our farms which can each accommodate up to 250 bats. Bats feed on insects which can harm our crops, therefore by looking after these creatures we can reduce our use of pesticides while encouraging biodiversity.



LINKING ENVIRONMENT AND FARM-

Blue Skies were the first in the world to achieve LEAF marque accreditation for a group of farmers. LEAF is a charity which is committed to encouraging viable agriculture which is environmentally and socially acceptable and ensures the continuity of supply of wholesome, affordable food, while conserving and enhancing the fabric and wildlife of the countryside for future generations.



PROTECTING TREES

We plant and protect trees wherever we can. In Ghana we planted 7,900 trees in 2019. At our factory in Brazil, we have planted over 1,300 trees which have attracted numerous birds including toucans.



PRIORITY 5.

REDUCING OUR WASTE

We are committed to minimising the amount of waste that we produce and ensuring that as little of it as possible goes to landfill, and as much of it as possible is either reused or recycled.

We are committed to working towards zero waste across the entire business. For Blue Skies we believe that every bit of the materials and resources that we buy, should be put to good use, and anything that is left over should either be put to another use, or recycled. We worry about anything that has to be sent to landfill or destroyed.

Related Sustainable Development Goals:







DIVERSIFICATION

To avoid waste, we aim to use as much of our materials as possible. We have developed juice, ice-cream and lollies to enable us to use fresh fruit that can't be used in fruit salads, making sure all edible materials don't go to waste.



In Brazil we worked with a local NGO to reuse oil used for cooking in our canteen for other products such as biological soaps.



HOW ARE WE DOING?



RECYCLING

We sort our waste to ensure recyclable materials are recycled. We're working to increase the proportion of recyclable materials we use and make use of waste-toenergy plants to help us move towards our ambition of zero waste to landfill.

COMPOSTING

In Ghana, we compost our inedible organic waste. It takes eight weeks for waste to break down in to nutrient rich soil, which goes back to the farms. Composting has helped to increase farm yields by 5% and reduce fertiliser usage by 30%.

FOOD WASTE

We use Company Shop in the UK who take our excess stock to sell at a discounted price or give to charity. Blue Skies have also signed up to the UK's Food Waste Reduction Roadmap with WRAP.

SUPPORTING COMMUNITIES

We are committed to always engage with our local communities and provide support where it is within our means.

Blue Skies operates in parts of the world where our staff and farmers live in communities that lack basic infrastructure and resources such as decent schools, and clinics and access to safe, clean water drinking water and hygienic toilet facilities. For this reason, Blue Skies believes that it is the business's inherent duty to do what it can to help where it is needed the most.



Related Sustainable Development Goals:



FUTURE FRESH

QUALITY

FULICATION

PRIORITY 6.

CLEAN WATER

AND SANITATION

6

Our FutureFresh programme aims to support young people by facilitating the provision of learning aids for schools, colleges and youth groups, and participating in talks and seminars that can enrich the curriculum and support in career development. Find out more at www.blueskies.com/futurefresh



HOW ARE WE DOING?



initiatives

THE BLUE SKIES FOUNDATION

The Blue Skies Foundation is a partnership between Blue Skies, Albert Heijn and Waitrose. It aims to improve the livelihoods of staff, farmers and their communities where Blue Skies works in Ghana, Egypt, Senegal and South Africa. Since the Foundation started in 2009, it has implemented 100 projects and impacted around over 100,000 people. Projects have included building classroom blocks for schools, providing clinics, toilets and water systems for rural communities, and constructing training centres for farmers. For more information, see our Foundation Annual Report at www.blueskies.com/foundation

SCHOOL FARM COMPETITION

Our School Farm contest has provided seeds, tools and educational resources to over 5.000 students in Ghana who

have grown vegetables to compete for prizes including computers. Find out more information from: www.blueskies.com/schoolfarm

PACKAGING AND MATERIALS

We are committed to minimising the environmental impact of all our materials, both in terms of how they are sourced, how they are used and how they are disposed of.

Our product development and procurement teams across the business, are actively engaged in finding new solutions to help us improve the sustainability of all the materials we use to grow, handle, pack and insulate our products. From plastic trays, to our personal protective equipment, we're not holding back on examining and re examining every material we use.

FARMS

We're working to reduce plastic mulch used on farms



INSULATION

We're replacing polystyrene used to insulate our airfreight containers with reusable and recyclable thermal blankets. This will improve insulation and reduce polystyrene use by 75%. We're also replacing gelpacks with a more sustainable water based-solution.

HOW ARE WE DOING?



PACKAGING

We're on a mission to find ground-breaking new packaging that will help us significantly reduce the environmental impact of all our products. We plan to work with government and research institutions to develop game-changing solutions that will benefit the entire industry. In the meantime we're committed to ensuring as much of our packaging as possible comes from recycled material and is 100% recyclable. removed plastic sporks from a number of products, saving the business **24 tons** of plastic a year, without impacting sales.

In 2018 we

APRONS & GLOVES

We're trialling new reusable materials to replace disposable plastic aprons and gloves for our staff. If successful, it will significantly reduce plastic use within the business.

* Based partly on 2018 data (January-December)

MANGO Use by: Weight 200g



PRIORITY 7.

REDUCING OUR ENERGY USE

We are committed to using as little energy as possible and ensuring that as much of it as possible comes from a sustainable source.



8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION

PRIORITY 8.



REFRIGERATION

Our new refrigeration system in Egypt (pictured) uses high efficiency scroll compressors and inverter controls. It is expected to save over 400,000 KWh of energy per year.

HEAT RECOVERY

In Egypt and Ghana, we've installed heat recovery systems to capture the heat generated from refrigeration to use to heat water, showers and laundry.



HOW ARE WE DOING?



SOLAR ENERGY

We've worked with UNIDO and the Government of Japan to install solar panels on the roof of our factory in Egypt with the aim of saving 70,000 KWh of energy per year. 2.94 GJ
Energy consumption per ton of product
This is a reduction of 13.7% from 2017-2018
Proportion of energy from renewable sources

22

REDUCING OUR WATER USE

We are committed using as little water as possible and ensuring that as much of it as possible comes from a sustainable source.

Our business needs clean water to grow and pack our fresh fruit, however around the world supplies are becoming increasingly scarce, to the point that by 2030 the World Population Institute products that 4 billion people will live in areas of high water stress. It is our responsibility therefore, to ensure we use as little water as possible, and to return as much of it as we can safely back into the environment.

Related Sustainable Development Goals:



WATER EFFICIENCY

We're investing in research and development in to new technologies to help us reduce the volume of water we need to sanitise our fruit and keep our factories clean.

WATER RECYCLING

PRIORITY 9.

We're looking to recycle and reuse water by harvesting rain water and optimising the treatment of our factory effluent. Our new system for Ghana will be introduced later this year.

Zulu pineapple farm in Ghana during heavy rains





SUPPORTING COMMUNITIES

Through our Foundation, we have provided 15 water systems for communities in Ghana, giving over 40,000 people access to clean water for drinking.



PRIORITY 10.

- Well Being

Related Sustainable Development Goal:

GOOD HEALTH AND WELL-BEING

We are committed to providing the safest and healthiest possible working environment for our people.

We need all our people to be mentally and physically fit and healthy. Our health and safety teams carry out risk assessments and training to minimise the risk of accidents, but we also do more such as providing health care facilities and encouraging sports and fitness.





HEALTH CARE

We provide health care facilities where clinics are not ordinarily easily accessible or affordable. Our clinic in Ghana employs four full-time nurses and sees over 100 people a day. It also offers counselling and advice on issues such as family planning and mental health.

EATING WELL

In Ghana, we have established an eight acre kitchen garden to supply our canteen with fresh vegetables every day. The aim was to supplement the traditionally carbohydrate-rich diet with nutritious vegetables that can be locally grown, including carrots, cucumbers, cabbages and spring-onions.

SPORTS & FITNESS

We have dedicated sports facilities at our factories in Ghana, Egypt and South Africa. Our Keep Fit club in Ghana has become one of the best in the country and regularly fields winning volleyball and football teams. We also have teams at our other sites and in Brazil we have implemented occupational gymnastics (pictured top right).





HOW ARE WE DOING?

17% Incident rate 294 Days lost due to illness or injury Based on 2019 six month data (January June)

EMERGING HOT TOPICS

Below are some of the issues that we believe will become higher priorities for the business over the next few years.



AIR FREIGHT

Blue Skies relies on airfreight to distribute our highly perishable prepared fruit products to market. With just a seven day shelf life on cut-fruit, we have little other choice if we are to continue our commitment to adding value at source.

We believe however that airfreight will come under the spotlight again because of environmental concerns. Blue Skies have always been conscious of the contribution of the airline industry to global greenhouse gas emissions. For this reason we have taken time to better understand the carbon footprint of our products, and evaluate this against the full sustainability impact of our business.

Our Footprint

In 2007 we carried out a comparative carbon footprint of pineapple processed in Ghana and airfreighted to Europe, versus pineapple shipped to Europe and processed there. The study revealed a negligible difference between both supply chains. The reason for this was as follows:

- We only airfreight edible fruit, we don't carry inedible parts such as skin and core.
- Our factories in Ghana use minimal energy and are powered by renewable hydroenergy, thereby giving a lower grid-factor.
- Organic waste is composted, thereby having a minimal impact compared to landfill.

Additionally, we minimise postharvest waste as we have more control over cold chains and consignments are less likely to degrade by air than they are over longer periods on the sea.

Social and Economic Impact

We also have to balance our carbon footprint with other considerations. For instance, we are bringing significant social and economic benefit by value adding at source, enabling countries to develop their own manufacturing base, that have not been able to industrialise to the extent that we have seen in Europe.

The Future of air travel

Lastly, we need to be aware of developments in aviation technology. With moves towards more fuel-efficient aircraft and talk of solar powered jets, hybrid airships and hyerloops, we could see a lot of exciting change over the next 10-20 years.

What next?

Blue Skies will seek to develop a model to be able to continually evaluate our carbon footprint, taking in to account a range of factors including energy consumption, fertiliser use on farms and waste. This will help us understand how we can reduce and mitigate our footprint.

THE TRUE VALUE OF AUDITS

As a business with operations in countries considered 'high risk' for social, ethical and environmental concerns. Blue Skies has to undertake a high number of third-party audits each year. in order to minimise the perceived reputational risk of many of its retail customers. As our business expands and as we look to help more growers access international markets. this is putting increasing strain on the company's finances. We believe we spend up to £250k a year on audits, and while they are invaluable in allowing us to supply some of the world's most respected retailers, their effectiveness in addressing sustainability priorities has come into question.

This is one reason why we have developed our own second-party auditing system. It aims to be more progressive than traditional audits, helping farmers to identify positive actions for continuous improvement, rather than focusing merely on the shortfalls. The results have enabled farmers to build capacity and enhance quality while ensuring the same high social and environmental standards.

In the future, we would like to see a greater move towards this approach.

CONSOLIDATED BALANCE SHEET BLUEPRINT

The information contained in this report has been provided through our internal reporting systems and has not been verified by a third-party. It is our aim to work towards third-party verification over time, as we develop our sustainability reporting capacity. As we continually reassess our priorities, we will also review and update the KPIs we report, to ensure we are providing information that is relevant and which enables us to take action where we have the greatest impact.

1. PROCUREMENT PRACTICES

#	KPI	UNIT	GROUP		UK	GH	SA	EG	BR	GRI REF	SDG REF
1.01	Number of fruit suppliers	#	234	(Total)	17	150	21	28	18	102-9	2.3, 2.4, 12.2
1.02	Number of packaging suppliers	#	73	(Total)	21	5	15	28	19	102-9	-
1.03	Proportion of suppliers located <30 miles of the factory/office	%	52%	(Total)	35%	75%	0%	18%	6%	203-1	-
1.04	Proportion of suppliers from the same country	%	98%	(Total)	93%	100%	99%	95%	96%	203-1	-
1.05	Proportion of suppliers paid within sixty days	%	100%	(Total)	100%	100%	100%	100%	100%	-	-
1.06	Proportion of suppliers who have supplied for 10 years or more	%	27%	(Total)	0%	40%	40%	39%	4%	-	-
1.07	% of total suppliers where there is formal engagement on ethical issues	% S	21%	(Total)	1.9%	50%	40%	78%	4%	-	-

2. ECONOMIC PERFORMANCE

KPI		UNIT	GROUF	•	UK	GH	SA	EG	BR	GRI REF	SDG REF
2.01	Total Finished Products	Tons	21,495	(Total)	6,102	7,170	4,584	1,932	1,707	102-7	8.2
2.02	Turnover	£m	99.9	(Total)	25.2	36.6	15.7	12.9	9.6	102-7	8.2
2.03	Profit before Tax	£m	5.1	(Total)	1.2	1.7	2.3	0.7	-0.7	201-1	8.2, 8.4, 9.4

3. CARE FOR OUR PEOPLE

#	KPI	UNIT	GROUP)	UK	GH	SA	EG	BR	GRI REF	SDG REF
3.01	Average Number of staff	#	4,312	(Total)	294	2,370	528	464	296	102-8	8.5
3.02	Staff Retention*	%	96.5%	(Total)	99.1%	99.9%	99.8%	-	87.3%	401-1	-
3.03	Days lost due to industrial action	Days	0	(Total)	0	0	0	0	0	-	-
3.04	% average wage above national minimum wage	%	98%	(Mean)	13.3%	312.6%	62.5%	36.6%	63.4%	202-1	-
3.05	Proportion of people receiving appraisals	%	87%	(Total)	100%	100%	4%	100%	100%	404-3	-
3.06	Number of women in traditionally male jobs	#	38	(Total)	1	8	16	0	0	-	-
3.07	Number of men in traditionally female jobs	#	9	(Total)	0	4	0	3	0	-	-
3.08	Mean Gender Pay Gap Median Gender Pay Gap	% %	3.3% 1.6%	(Mean) (Mean)	0.9% -3.1%	2.41% 0.0%	6.1% 0.0%	-	7.1% 11.2%	405-2 -	5.1, 10.1 -
3.09	Mean Bonus difference Median Gender Pay Gap	% %	27.4% 26.6%	(Mean) (Mean)	N/A N/A	N/A N/A	27.4% 26.6%	-	N/A N/A	-	-
3.10	Proportion of male employees receiving a bonus	%	26%	(Mean)	0%	0%	69%	98%	0%	-	-
3.11	Proportion of female employees receiving a bonus	%	34%	(Mean)	0%	0%	31%	99%	0%	-	-
3.12	Males in lower quartile Females in lower quartile	% %	46% 54%	(Mean) (Mean)	54% 46%	44% 56%	31% 69%	21.% 79.%	24% 76%	-	-
3.13	Males in lower middle quartile Females in lower middle quartile	% %	50% 50%	(Mean) (Mean)	54% 46%	40% 60%	30% 70%	92.% 8%	31% 69%	-	-
3.14	Males in upper middle quartile Females in upper middle quartile	% %	56% 44%	(Mean) (Mean)	46% 54%	69% 31%	27% 73%	99% 1%	40% 60%	-	-
3.15	Males in upper quartile Females in upper quartile	% %	62% 38%	(Mean) (Mean)	39% 61.%	62% 38%	29% 71.%	96% 4%	60% 40%	-	-

* Based on 2019 six month data (January-June)

4. PROTECTING BIODIVERSITY

#	КРІ	UNIT	GROUP		UK	GH	SA	EG	BR	GRI REF	SDG REF
4.01	Number of LEAF certified farms	#	59	(Total)	0	37	0	22	0	-	15.1, 15.2, 15.5
5. REDU	JCING OUR WASTE										
#	КРІ	UNIT	GROUP		UK	GH	SA	EG	BR	GRI RE	SDG REF
5.01	Total waste generated	Tons	44,771	(Total)	9,023	19.370	6,869	4,831	5,043	306-2	6.3, 9.4, 12.3, 12.4
5.02	Waste to Landfill	%	12.51	(Total)	1.8	1.5	55.7	0.0	26.2	306-2	12.3
6. SUPF	PORTING COMMUNITIES										
#	КРІ	UNIT	GROUP		UK	GH	SA	EG	BR	GRI REF	SDG REF
6.01	Number of Foundation Projects Completed	#	12	(Total)	N/A	10	1	1	N/A	413-1	1.4, 3.3, 3.8, 4.A, 6.1, 6.2
6.02	Number of people impacted by Foundation activities	#	26,956	(Total)	N/A	25,406	550	1,000	N/A	413-1	1.4, 3.3, 3.8, 4.A, 6.1,
6.03	Proportion of people employed from within 30 miles of the factory	%	91%	(Total)	100%	100%	100%	19.5%	100%	203-2	-
6.04	Average number of dependants per employee-	#	3.8	(Mean)	2	3	5	5	2	203-2	-
7. PACK	AGING AND MATERIALS										
#	КРІ	UNIT	GROUP		UK	GH	SA	EG	BR	GRI REF	SDG REF
7.01	Total volume of packing and packaging material purchased	Tons	3839	(Total)	810	1242	674	810	303	301-1	9.4, 12.5
7.02	Percentage of packaging that is 100% recyclable	%	85%	(Total)	73%	98%	56%	100%	90%	-	-
7.03	Percentage of packaging made from 30% or more recycled content	%	50%	(Total)	58%	63%	43%	60%	89%	301-2	9.4, 12.5
7.04	Percentage of packaging made from 100% recycled content	%	21%	(Total)	48%	32%	39%	0%	54%	301-2	9.4, 12.5

8. REDUCING OUR ENERGY USE

#	КРІ	UNIT	GROUP		UK	GH	SA	EG	BR	GRI REF	SDG REF
8.01	Annual Energy Spend	£000	£1,478	(Total)	£453.7	£689.5	£175.3	£32.8	£126.6	302-1	7.3, 8.4
8.02	Energy Consumption	Gigajoules	63,209	(Total)	12,049	18,609	22,355	6,506	3690	302-1	7.3, 8.4
8.03	Energy Intensity	Gigajoules / Ton	2.94	(Total)	1.97	2.60	4.88	3.37	2.16	302-3	7.3, 8.4
8.04	Proportion of energy from renewable sources	%	15.5	(Total)	0%	50%	0%	8%	0%	302-1	7.2, 9.4
9. REDU	ICING OUR WATER USE										
#	КРІ	UNIT	GROUP		UK	GH	SA	EG	BR	GRI REF	SDG REF
9.01	Total water withdrawal	Litres	256,809	(Total)	26,104	122,087	52,009	25,738	30,871	303-3	6.4, 8.4, 12.2
9.02	Water Intensity	Litres / Ton	11.95	(Total)	4.28	17.03	11.35	13.32	18.09	-	6.4, 8.4, 12.2
10. HEA	LTH AND WELLBEING										
#	КРІ	UNIT	GROUP		UK	GH	SA	EG	BR	GRI REF	SDG REF
10.01	Number of reported incidents	#	1,092	(Total)	32	996	19	-	45	403-9	3.9
10.02	Days lost due to injury or illness*	Days	294	(Total)	141	125	18	-	10	-	-
10.03	Incident Rate	%	16.5%	(Mean)	10.8%	36.5%	3.60%	-	15.2%	-	-
10.04	Number of health and wellbeing promotional ammenities	#	29	(Total)	0	17	3	1	2	403-6	3.8
10.05	Number of health and wellbeing promotional activities	#	14	(Total)	2	4	3	1	6	403-6	3.8

^{*} Based on 2019 six month data (January-June)

GRI CONTENT INDEX

GRI 102: General Disclosures 2016*

ORGANISATIONAL PROFILE

- **Full disclosure detailed** (as per GRI requirements)
- **Partial disclosure.** We have adopted the KPI but currently have limited data.
- **No disclosure.** We have adopted the KPI but currently have limited or no data.

GENERAL DISCLOSURES	DESCRIPTION	REFERENCE	DISCLOSURE
102-1	Name of the organisation	Blue Skies Holdings Ltd	0
102-2	Activities, brands, products, and service	Pages 2-8	0
102-3	Location of headquarters	Pitsford, Northamptonshire (UK)	•
102-4	Location of operations	Pages 6 and back page	•
102-5	Ownership and legal form	Limited Company	•
102-6	Markets served	Page 8	•
102-7	Scale of the organisation	Page 17	0
102-8	Information on employees and other workers	Page 17	0
102-9	Supply chain	Page 5	0
102-10	Significant changes to the organization and its supply chain	None	•
102-11	Precautionary Principle or approach	Page 10	0
102-12	External initiatives	Page 4	•
102-13	Membership of associations	Page 4	•

STRATEGY

GENERAL DISCLOSURES	DESCRIPTION	REFERENCE	DISCLOSURE
102-14	Statement from senior decision-maker	Page 2	•
102-15	Key impacts, risks, and opportunities	Pages 2 and 9	

ETHICS AND INTEGRITY

GENERAL DISCLOSURES	DESCRIPTION	REFERENCE	DISCLOSURE
102-16	Values, principles, standards, and norms of behavior	Page 10	0

*Blue Skies 2018-2019 Sustainability Report applies the 2016 version of the GRI Standards; "2016" refers to the Standards issue date, not the date of information presented in this report.

GOVERNANCE

GENERAL DISCLOSURES	DESCRIPTION	REFERENCE	DISCLOSURE
102-18	Governance structure	Page 4	•
102-20	Executive-level responsibility for economic, environmental, and social topics	The highest level of direct responsibility for sustainability within Blue Skies Holdings Ltd is the Chairman and the CEO	•
102-23	Chair of the highest governance body	Anthony Pile serves as Chairman of the Board of Directors and CEO	•
102-31	Review of economic, environmental, and social topics	Quarterly KPIs are reviewed by the Executive Committee	•

STAKEHOLDER ENGAGEMENT

GENERAL DISCLOSURES	DESCRIPTION	REFERENCE	DISCLOSURE
102-40	List of stakeholder groups	Page 13	0
102-41	Collective bargaining agreements	-	0
102-42	Identifying and selecting stakeholders	Page 13	0
102-43	Approach to stakeholder engagement	Page 13	0
102-44	Key topics and concerns raised	Page 13	0

REPORTING PRACTICE

GENERAL DISCLOSURES	DESCRIPTION	REFERENCE	DISCLOSURE
102-45	Entities included in the consolidated financial statements	2018 Audited Accounts	0
102-46	Defining report content and topic Boundaries	Page 13	•
102-47	List of material topics	Page 14	•
102-48	Restatements of information	None	•
102-49	Changes in reporting	None	
102-50	Reporting period	July 2018-June 2019	•
102-51	Date of most recent report	None	•
102-52	Reporting cycle	Annual	•
102-53	Contact point for questions regarding the report	Page 2	•
102-54	Claims of reporting in accordance with the GRI	We prepared our report in accordance with the	•
	Standards	GRI Standards: Core option.	
102-55	GRI content index	Page 31	•
102-56	External assurance	Page 26	0

*Blue Skies 2018-2019 Sustainability Report applies the 2016 version of the GRI Standards; "2016" refers to the Standards issue date, not the date of information presented in this report.

GRI 102: Topics and Topic Boundaries 2016*

ECONOMIC

GRI TOPICS		DESCRIPTION	REFERENCE	DISCLOSURE
201-1	Economic Performance	Direct economic value generated and distributed	Page 16 and 26	0
203-1	Procurement Practices	Proportion of spending on local suppliers	Page 15 and 26	0

ENVIRONMENTAL

GRI TOPICS		DESCRIPTION	REFERENCE	DISCLOSURE
301-1	Materials	Materials used by weight or volume	Page 21 and 28	0
301-2	Materials	Recycled input materials used	Page 21 and 28	0
302-1	Energy	Energy consumption within the organisation	Page 22 and 29	0
302-3	Energy	Energy intensity	Page 22 and 29	0
303-3	Water and Effluents	Water withdrawal	Page 23 and 29	0
303-4	Water and Effluents	Water discharge	-	0
303-5	Water and Effluents	Water consumption	-	0
304-3	Biodiversity	Habitats protected or restored	-	0
306-1	Effluents and Waste	Water discharge by quality and destination	-	0
306-2	Effluents and Waste	Waste by type and disposal method	Page 19 and 28	0

SOCIAL

GRI TOPICS		DESCRIPTION	REFERENCE	DISCLOSURE
402-1	Labor/Management Relations	Minimum notice periods regarding operational changes	-	0
403-6	Occulational Health & Safety	Promotion of worker health	Page 24 and 29	0
403-9	Occulational Health & Safety	Work-related injuries	Page 24 and 29	0
413-1	Local Communities	Operations with local community engagement, impact assessments, and development programs	Page 20 and 28	0

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Strengthened by our **diversity** Bound by our **culture of respect** Driven by generating **a positive return**

For our customers our people our communities

Head Office

Blue Skies Holdings Ltd Spring Hill Farm Northants, UK NN6 9AA

www.blueskies.com

Subsidiaries

Blue Skies (UK) Limited - UK Blue Sky Products (Ghana) Limited - Ghana Blue Skies Juice (Ghana) Limited - Ghana Unifruit Limited - Ghana Blue Skies Mango Plantations Ghana Ltd - Ghana Blue Skies Egypt SAE - Egypt Blue Skies Egypt for Fresh Juice - Egypt Blue Skies Fresh Produce SA (Pty) - South Africa Blue Skies SA Properties (Pty) Ltd - South Africa Blue Skies Senegal SARL - Senegal Blue Skies Cote d'Ivoire SARL - Ivory Coast Blue Skies Republic of Benin SARL - Benin