

FYNBLOEM

Proteaceae • Cultivated • Exported



Our Sustainability Journey

Report for Financial Year ended June 2014



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Message from the CEO



In the five short years since FynBloem was created, we've made tremendous progress towards becoming a sustainable enterprise in the key areas of People, Planet and Product. Many strategic risks identified by global business leaders, such as socio-economic inequality, climate change and water scarcity affect South Africa and as 2014 draws to a close we can truly celebrate FynBloem's successes such as our very own, very "green" pack house, our ability to harvest and recycle water, our very diversified workforce, and the advances we made in research and development.

In 2013, our sustainability objectives grew as we extended our reach into our supply chain and into our local community. The changes in Black Economic Empowerment legislation for the South African agricultural sector shaped new goals for the future. Addressing challenges creates new opportunities for innovation and growth which is why we consider our Sustainability Journey to be an ongoing process.

We hope you will enjoy reading our 2013/2014 report.

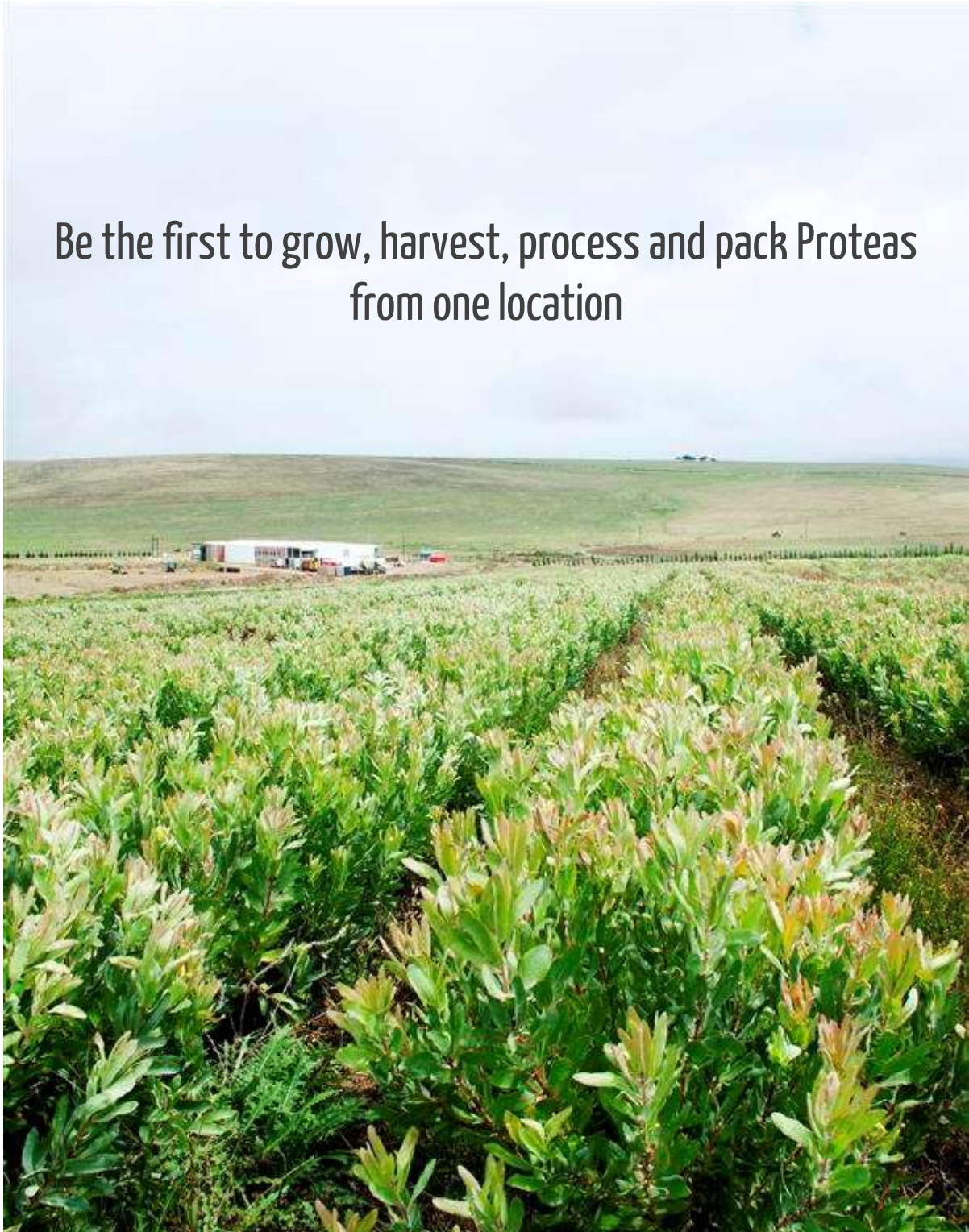


BEYERS BEYERS
CHIEF EXECUTIVE OFFICER

As we celebrate our successes, we know that our journey is far from over. The sustainability principles underpinning our business will ensure that we make the right choices for the future.

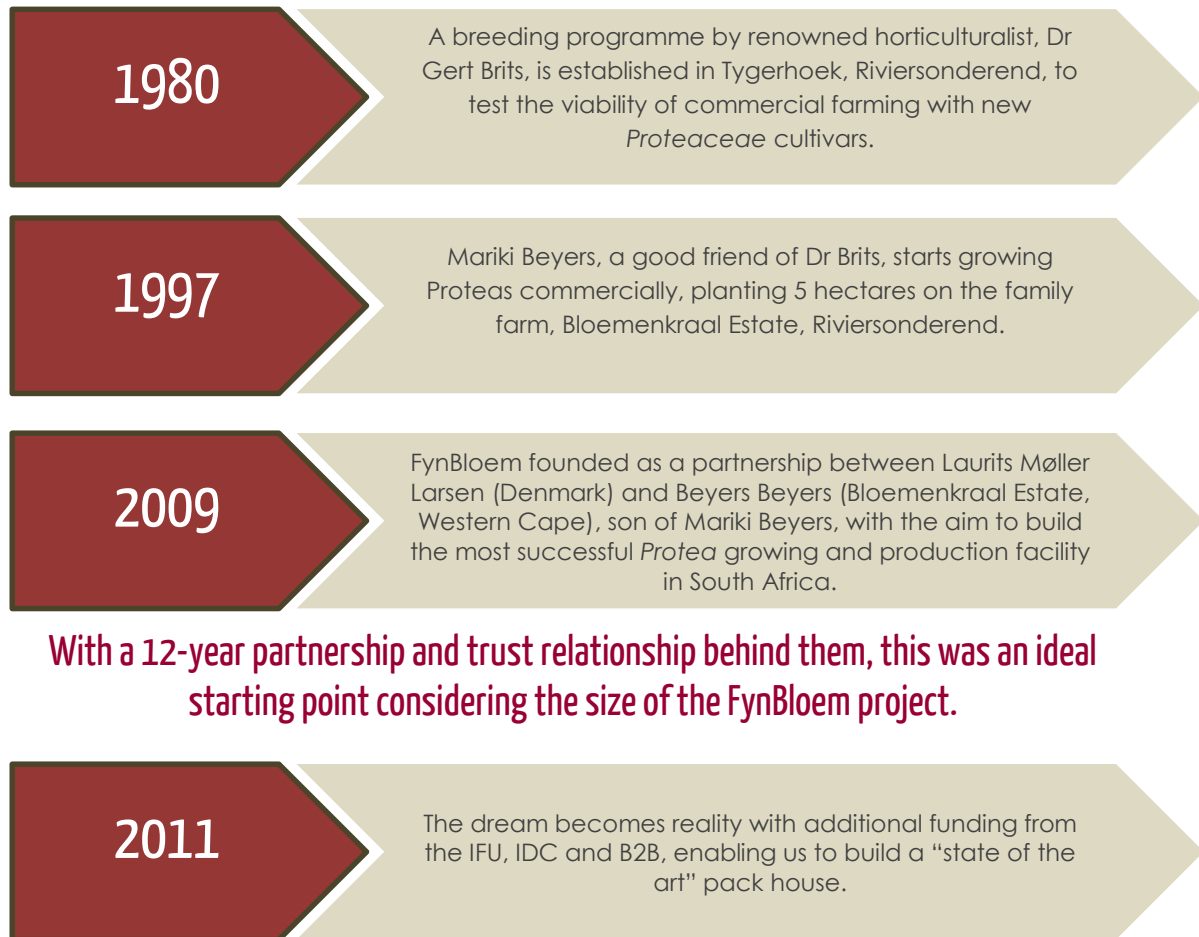
Strategy & Profile

Be the first to grow, harvest, process and pack Proteas from one location



About our Company

Company History



With a 12-year partnership and trust relationship behind them, this was an ideal starting point considering the size of the FynBloem project.

Organisational Profile

Name of reporting organisation:	FynBloem (Pty) Ltd
Location:	Riviersonderend, Western Cape, South Africa
Products and Services:	<i>Proteas</i> and <i>Protea</i> /fynbos arrangements supplied to overseas flower markets and flower importers.
Operational Structure:	The ultimate authority to oversee the affairs of the business rests with the FynBloem Board of Directors, namely CEO Beyers Beyers and Danish partner Laurits Larsen. Brian van der Grijp (FynBloem's auditor from Brian van der Grijp and Associates) and Johnny Ohgrøn Hansen (Head of Regional Office for Africa, Danish International Fund for Developing Countries) serve as advisors to the board.

Ethics and Compliance:

We have committed ourselves to high ethical standards, which are regularly evaluated by external audits. The board is guided by the King III guidelines on corporate governance and sets the example from the top down.

Stakeholders engaged by the Organisation:

Government organisations
Regulators
Investors
Investment professionals
Customers
Suppliers
Industry bodies
Employees
Academia
Community leaders

Vision	Mission	Values
<ul style="list-style-type: none"> ○ To be the best and most reliable supplier of quality Proteas ○ Offer the most variety ○ Supply the market 52 weeks of the year 	<p>Profitable growth through innovation, quality and commitment</p>	<ul style="list-style-type: none"> ○ Integrity ○ Accountability ○ Respect People ○ Respect the Planet ○ Team Spirit

Partnerships



About our Report

Report Parameters

Reporting period:	Financial year June 2013 – June 2014 (13 months).
Date of most recent report:	2013 Sustainability Report for financial year ended May 2013.
Future reporting cycle:	Annual, within 3 months of financial year ending June.
Contact person:	Caroline Whitehead caroline@blk.co.za or +27 21 2000 561

Limits of the report

FynBloem consists of a nursery, plantations and a pack house.
A chemical store room is shared with the sister company, Bloemenkraal Estate.



Significant changes during the Reporting Period

During April – June 2013, the pack house FYNOSA closed down and production and staff transferred to FynBloem. In March 2014, it was decided to close FynBloem's sister company, Planet Wise. All staff were offered positions at FynBloem and all except one employee, accepted.



This report is targeted to multiple audiences. It is a crucial building block to the rest of our sustainability communication and disclosures as it informs and guides these processes. We continue to consider how we can better meet the needs of our audiences and would appreciate your feedback and suggestions

This report was developed following the Global Reporting Initiative (GRI) guidelines for sustainability reporting.

About our People

FynBloem Leadership



Laurits Larsen
Director (Danish)



Beyers Beyers
CEO (South African)



Bren Badenhorst
COO (South African)

FynBloem Support



Caroline Whitehead
CSR & Technical



Monica du Preez
Wages & Export



Chantal Newbold
Accounts



Mariki Beyers
New Product Development



Nicole Windell
Research & Development



Ronel van der Walt
Sales Co-ordinator

Plantations



Noah Chinyanga
General Manager: Plantations



Louis Claasen
Plantation Manager

Production



Richard Willemse
Production Manager



Arnold Williams
Perishable Product
Procurement and Stock Manager



Chris Manyeruke
Receiving & Grading
Manager

Our Staff

The small numbers reflect the previous cycle.

	Staff who work only for FynBloem	Staff shared between companies	Staff who work exclusively for the sister companies
Management & Support (Male Permanent)	4 3	3 4	0 1
Management & Support (Female Permanent)	3 2	7 6	0 1
Team Leaders & General Staff (Male Permanent)	24 16	11 0	13 29
Team Leaders & General Staff (Female Permanent)	50 41	6 0	5 14
General Staff (Male Temporary)	13 7	0 0	3 6
General Staff (Female Temporary)	30 15	0 0	1 2
Total staff	124 84	27 10	22 53



About our Awards



2012 IFU Award for Corporate Social Responsibility.

2013 The FynBloem pack house, designed by Cape Town based architectural Practice KUBE architecture, receives a highly commended award in the 'AfriSam Sustainable Construction' category.

2014 FynBloem is runner-up in the Marks & Spencer Farming for the Future overseas category, being recognised with highly commended status by the judges.

About our Accreditations



Global Gap audits on farming practises passed successfully in both 2013 and 2014.



A successful Sustainability Initiative of South Africa (SIZA) ethical trade audit completed in 2013, achieving the highest standard with a 5 year audit interval.



A level 4 contributor to B-BBEE
(Codes of Good Practise on Black Economic Empowerment)

About Engagement



Marketing seminar with Jaap Kras, publisher of Floraculture International and other key members of the horticulture industry.



Our CEO attended the M&S Plan A conference in the UK. Several staff members attended the South African Plan A conference.

Plan A.
Because there is no Plan B.

We attend all industry body meetings. FynBloem hosted the Protea Producers of South Africa AGM in March 2014.



FynBloem was visited by key clients in November 2013; March, May and June 2014.



We exhibited locally at the Caledon Country Fair.



International trade fairs, exhibitions, meetings with customers and potential customers in the UK, USA, Russia, the Netherlands, and Poland.

We met with CapeNature, Flower Valley Conservation Trust and the Perishable Products Export Control Board.



We engaged with suppliers through on-site visits and gained exposure through television



About our Farm

Location

Field to pack house to packed product, all on site and located close to the main highway. FynBloem is situated in the Overberg, in the heart of the fynbos hub, enabling us to source raw material within a 100 km radius. The pack house itself is within 1 kilometre of our own *Protea* plantations.

The Weather

FynBloem is situated between Greyton and Riviersonderend in the Western Cape, which has a Mediterranean climate similar to Sydney and Los Angeles. Influence of weather on production is minimal due to a combination of cooling process and treatments such as water pulsing to aid the storage process.



The Pack House

The pack house was built around the best process for Proteas, from receiving flowers from the land, to receiving fynbos from the suppliers, through to design, quality control, packing and transportation. The pack house was built with sea-freight capabilities.

The packing facility, which is the face of the brand, by celebrating the sustainable principles used in its construction, consists of two main components:

- A processing pack house;
- Offices, meeting rooms and exhibition/research facilities.

The pack house was developed in two separate phases, with a third extension that could be added in future, should demand necessitate. We had the advantage of starting a plantation and pack house building from scratch.



The goal was to incorporate the Marks & Spencers' Plan A environmental best practises

The design and functional aspects of the pack house were the culmination of intensive research and development. Fynbloem's customers and stakeholders not only expected a world class *Protea* bouquet and packaging processing plant, but they required an energy efficient "green building" that complied with international standards.

Engineers and designers had to think "out the box" to come up with innovative solutions that not only suited the local conditions, but that were innovative and cost effective. The result is a facility that exceeds international standards.

The Nursery

We make our cuttings ourselves, to prevent bringing in diseases. The cuttings are tended in the nursery until they are ready to be planted out.

Approximate cuttings processed:

2009 : 165 000

2010 : 180 000

2011 : 93 000

2012: 140 000

2013: 24 666 (no new blocks planted)

The Plantations

The plantations were designed using the latest research on cultivar requirements and technology, and with a long-term planting plan in place. Planting began in 2009 with 19 hectares. Currently, at the end of the 2013/2014 financial year, we have a total of 88 hectares. Infrastructure has been put in place for a 100 hectare plantation.



A strong cutting makes for a strong plant

Throughout the process we were assisted by experts such as Dr Gerhard Malan, most recognised person in commercial fynbos farming and well-known in the flower industry for more than 30 years.



We introduced the best irrigation design to ensure we have the maximum amount of hectares under irrigation.

Vision:

Create the most effective environment
to ensure the most cost-effective and
long-term production per *Protea* tree

FynBloem is currently the largest producer of *Protea* with more varieties than any other grower. Variety, expert advice on best pruning methods for optimum flowers per plant, and good plantation management ensure a 52 week supply.

About our Product

Proteaceae is a woody shrub, indigenous to the Riviersonderend area. About 330 species are found in the Cape Floral Kingdom, such as *Protea*, *Leucadendron* and *Leucospermum*.

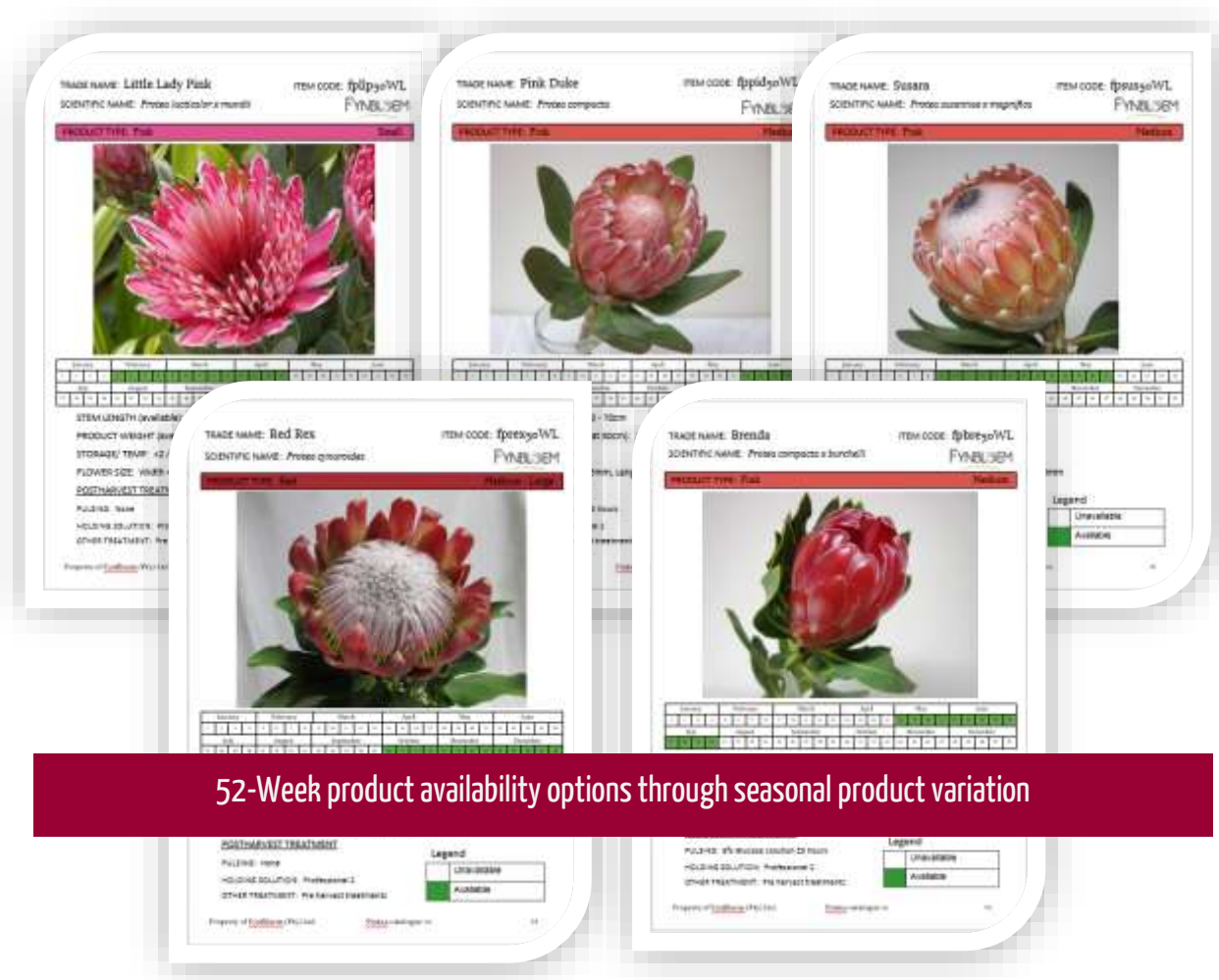
Proteas are sold as bouquets, mixed or mono bouquets. Our bouquets include fynbos, a hardy shrub plant that grows on nutrient poor soil in the Cape Floristic Region.



We currently grow 33 cultivated products (23 *Proteas*, 10 *Leucadendrons*) and are investigating 27 pre-selected cultivars on 4 % of the total production area.

Future product planting will be based on the performance of these pre-selections. Our varietal selection is intended to satisfy a 52-week constant production of Proteas.



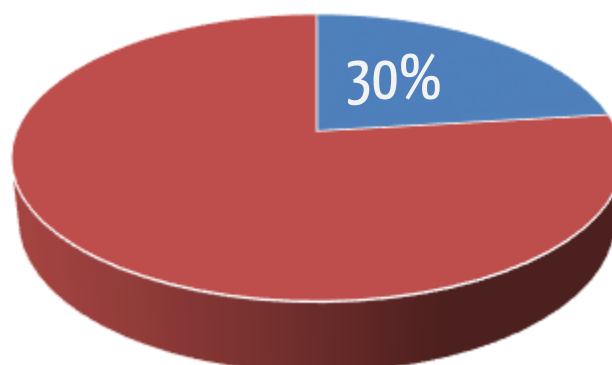


In 2013, the estimated world production of Proteas was 10 million stems, which is anticipated to rise to 12 million stems by 2015 (with existing planting).

In 2013, South Africa supplied about 90 % of the world market, with FynBloem's share being approximately 30 %. FynBloem anticipates its share of the world market to increase to 35 – 37.5 % by 2015.

To date, FynBloem is the biggest capital investment in *Proteaceae* in South Africa, making it the market leader in fynbos flowers through quality and efficiency.

FynBloem's share of the world market in 2013



Key Accomplishments

during the Reporting Period

June 2013

- Implemented an HIV/Aids Education and Testing programme
- Fynsa production moved to FynBloem

July 2013

- Successfully passed the Global Gap audit and granted permission to use the NSF UK certification mark of Quality
- Built a new filling point and dye area

August 2013

- Successfully passed the SIZA Ethical Trade audit and granted a 5 year audit interval

September
2013

- Successfully passed a PPECB inspection of cooling facilities and loading bay in preparation for seafreight
- First seafreight container to the UK

October 2013

- First production for Poland

December
2013

- The reedbed was built, putting us one step closer to our WATER NEUTRAL goal

January 2014

- Staff attended recycling training, putting us one step closer to our RECYCLING goal

March 2014

- UK Mother's Day production largest to date with 86 000 bouquets and lowest ever wild harvested product waste
- Introduction of Retirement Annuity for staff

April 2014

- FynBloem featured in the Floraculture International magazine, under the heading "FynBloem farm gives *Protea* sector an enormous boost"

June 2014

- During this financial year, we planted more hectares, staff increased and production doubled.

About our Goals

Environmental

Seafreight

Goal: To ship 80 % of our products by sea to achieve an approximate saving of 93 % on our carbon footprint. Our first two consignments were successfully sent by sea during the reporting period, however, more tests are needed on new products and new raw materials. We anticipate that our target will be achieved during the next 5 years, **Status: progress was made towards our goal.**

Recycling

Goal: To improve recycling of non-plant material such as glass, paper, metal and plastic. Plant material accounts for about 95 % of our waste and is used as mulch or for compost. Although considerable progress has been made towards our goal, more effort is needed to achieve the desired result. *(For more detail refer to the Environmental section of the report.)* **Status: progress was made towards our goal.**

Water neutral

Goal: To be 100 % water neutral. We now have 10 rainwater tanks, of which 2 must still be connected. A reed bed was built and we experimented with different types of reed of which only one performed really well. The reeds that have died must be replaced and the dam must be built. It is anticipated that this goal will be achieved within the next year. **Status: progress was made towards our goal.**

Renewable Energy

Goal: Produce and use renewable energy. The pack house was designed with solar panels in mind. It is anticipated that, once fully implemented, excess electricity could be supplied to the national grid. During the reporting period, negotiations continued for funding. **Status: progress was made towards our goal.**

Measurement

Goal: To measure our environmental impact. We are now able to electronically monitor and report on energy usage and are able to report on waste, by type. We require software to measure and report on water usage and would like to monitor and report on our carbon footprint. **Status: progress was made towards our goal.**

Greener Houses

Goal: To improve environmental impact of worker houses. We are installing energy efficient light bulbs, solar geysers or heat pumps, and rain water tanks. We have started and should achieve our goal to have "greener" houses, over 5 years. We need to encourage home owners to recycle and implement recycling. **Status: progress was made towards our goal.**

People

Workers Trust

Goal: Implement a Workers Ownership Trust. An important component of the FynBloem future is to offer selected employees a stake in the Company by way of the Workers Ownership Trust which will provide them with a more financially stable future in the form of life/retirement policies and the education of their children. During the reporting period various options were looked at and implementation is on track for 2014/2015. **Status: progress was made towards our goal.**

Supply Chain

Goal: Increased technical compliance. We have focused much on our supply chain during the reporting period to get technical requirements in place. *(For detail refer to the People section of this report.)* The result of our increased effort is encouraging and this new goal will be reported on annually. **Status: progress was made with this new goal.**

BBBEE

Goal: Maintain or improve our Broad-Based Black Economic Empowerment rating. We achieved a good rating in our first external BBBEE audit, however, changes to the Agricultural scorecard coupled with an increased turnover demand more change at a faster pace. BBBEE positively impacts company structure, staff, community and supply base. We are working towards improvements to maintain our rating with our next audit in 2015. **Status: progress was made with this new goal.**

UN Global Compact

Goal: Become an official signatory to the UN Global Compact. We trade in accordance with the principles which are communicated to workers and audited by independent third party auditors, however, we would like to become official signatories to the UN Global Compact, which we should achieve within the new reporting period. **Status: progress was made with this new goal.**

Product

Leucadendron farm

Goal: To have our own Leucadendron farm for more variety, better supply and more bouquet design possibilities. **Status: goal achieved during the reporting period.**



Expansion

Goal: To grow and produce more. During 2015/2016 we shall be entering an expansion phase where we shall be acquiring more land through purchase and renting of established crops. We are exploring options and have started negotiations. **Status: progress was made towards our goal.**

Pre-harvest research

Goal: Introduce more cultivars to the market. Our focus on selection and evaluation of hybrids has resulted in several new species being planted this year, such as Carnival Too, Burchelli, Venus and Blue Pearls. **Status: goal achieved**, however, our work in this area continues.

Environment



Efficient and Sustainable Resource Management



Design

The building was designed according to the Australian Green Building design guidelines and in accordance with the Marks & Spencer Plan A which encourages suppliers to use environmentally friendly methods in production.

We employed a professional team of structural, electrical, fire and mechanical engineers; architects; environmental consultants; enviroeneers and designers

The building process focused on close-radius sourcing of stones, sand, wood and decor. Most surfaces were left untreated.

A large section of the building was cut into an existing slope. The shale rock salvaged during excavation was used in the construction with the additional advantage of significantly lessening the visual impact of the building by nestling it into the land.

Approximate CO₂ saving:

Driving 150 km further for 120 loads of sand = 340 kg CO₂ per trip, or 41 tons total.

Driving 100 km further for 15 loads of stone = 219 kg CO₂ per trip, or 3,3 tons total.

Saving +/- 44,3 tons CO₂ !

The office block is north facing and warmed by the sun, while at the same time the production area is sheltered from direct heat.

Timber recycled on the farm from the clearing of Black Wattle, Port Jackson and Gum, all of which are invasive tree species, was used for the manufacture of some of the elements of the design such as the movable screens which sit on the north elevation and are used for passive solar control, thereby reducing the need for regular air-conditioning inside the office component.

The interior incorporates green materials such as Zincalume, oriented strand board made from wood off-cuts, pro-nature VOC-free paints and FSC approved timber.

The building is designed according to the Australian Green Building design guidelines.



Aspect: Energy & Climate



Green technology plumbing pipes were selected as it boasts the lowest carbon footprint, is fully recyclable and has excellent thermal qualities.

Cooling

Refrigeration, which forms a large part of the electricity consumption, is cut down in the following ways:

- Equipment was specifically selected and designed to reduce the overall energy consumption and to minimise the ammonia charge. Anhydrous ammonia (R717) as a refrigerant is a natural gas, and has no negative environmental impact.
- A customised maintenance program prevents wastage of electrical power.
- Cooling time is being reduced by installation of the most advanced vacuum cooler.
- The pack house was built so that it's shielded from the sun which significantly cuts down on cooling required. Cooling costs inside the pack house, where a constant temperature of 10°C is crucial, can be cut down significantly in this manner.
- Cooling is done at night.
- Under-floor insulation reduces the ingress of heat thereby reducing the cooling requirement.
- Glycol is used as a secondary coolant. We have large, cooled, Glycol buffer tanks, which keep circulating during peak hours of Ruraflex (the most cost efficient power period) to keep the processing area and cold rooms cold, even if the cooling plant is switched off during peak times.

Based on an electrical engineer's calculations, the ammonia systems use 1590kwh less per day due to ammonia's better c.o.p. (coefficient of performance – refrigeration produced from electrical power used), saving +/- 1.5 tons of CO₂ per day!

**Saving +/- 1.5
tons of CO₂ per
day**

Lighting

A lighting design study was undertaken by an electrical engineer to ensure sufficient light at all times.

A solar dome allows natural light, thereby reducing the need for artificial light.

Auto adjustment of light levels with PLC and light sensors.

P5 light for energy efficiency.





Transport

The pack house gives us an end-to-end production system within close proximity of the plantations. There is no need to transport flowers and raw materials (including waste) to Cape Town for processing and packing.

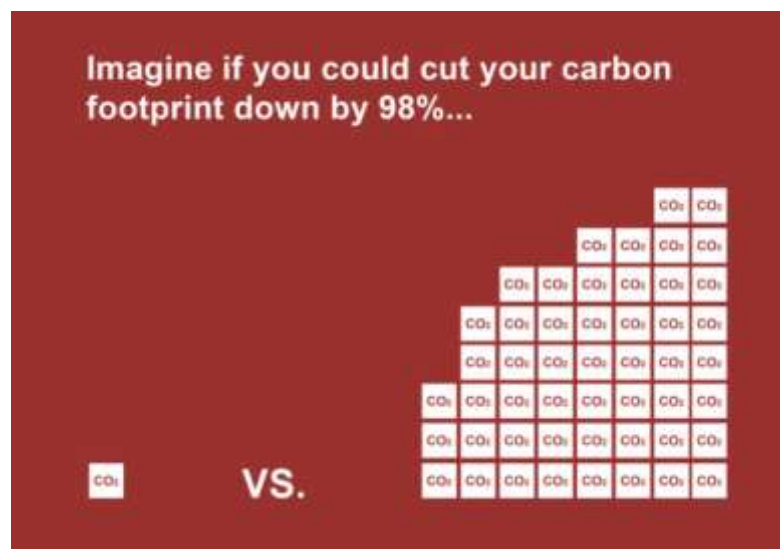
Approximate CO₂ saving:
Transporting 20 tons of *Protea*
between Cape Town and
London:

By air: 123,9 tons CO₂
By sea: 1,5 tons CO₂

+/- 93 % less
CO₂!

**The pack house is designed
for the export of flowers by
sea.**

Sea freight is less environmentally damaging than airfreight. We have done extensive sea freight trials and have sent two consignments to the UK during the reporting period. We are aiming to transport 60% of our export production by sea in 2014/2015 and ultimately 80 %.



Goal: 80% Seafreight





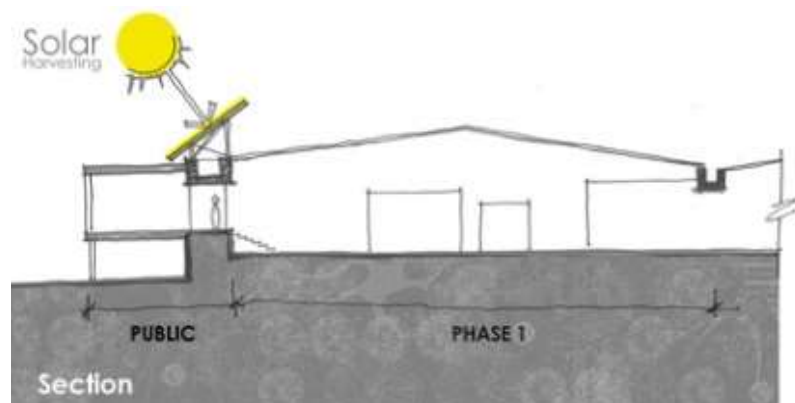
Energy

An electrical engineer has been employed to ensure the most efficient electrical system, which is a huge saving. As there is no standard pack house against which to measure it is not possible to accurately calculate the saving. However, based on conventional methods versus the power-saving initiatives implemented by FynBloem the consumption is calculated to be:

Power
consumption +/-
1/3 lower per
square meter

The roof structure which sits over the main circulation corridor will house the photo-voltaic panels which will be used to convert solar energy to electricity for use by the pack house and, once fully implemented, would be able to supply excess electricity to the national grid. Funding negotiations are currently under way.

Goal: Solar Panels



Energy recycling

We are one of the few buildings in South Africa that makes use of a thermally activated building system (TABS) which recovers energy from the refrigeration plant. The energy is used to heat water which is fed through pipes in the floors of the office block, to warm the offices in winter.





Irrigation

Our irrigation system makes use of variable speed drives so that we only use as much pressure as required.

The water pump only functions at night thereby reducing electricity usage.

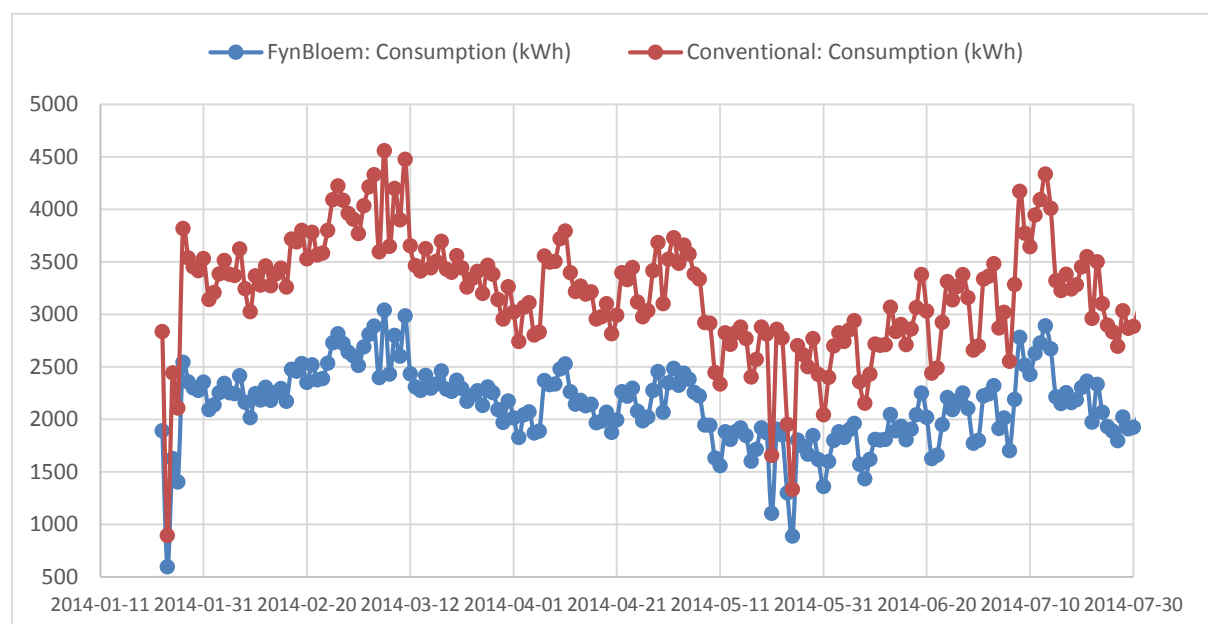
Measurement

Power consumption is measured electronically. This goal was achieved during the reporting period.

Goal Achieved

Energy efficient light bulbs

We have started replacing the light bulbs in worker houses.



Aspect: Water



As FynBloem is situated in a water scarce region, water is our most precious resource and water stewardship receives the highest priority. We rely on a government built dam which releases water into the local Riviersonderend river, for which we have listed rights with a guaranteed water supply through the dry season (summer). The dam and gradual gradient contours provide flood protection.

***Protea* is indigenous to the Western Cape and use less water than other crops.**

Irrigation

- Our irrigation system makes use of a self-detect back-flushing filter system, compensated drip irrigation and

computerised alerts and shut downs of high and low flow occurrences. The use of automated irrigation ensures that irrigation time is strictly adhered to and thus prevents unnecessary watering.

- Variable speed drives on the pump ensure that the pump responds easily to overloads and underloads without compromising its operation.
- The water pump uses 20 % less time to back flush with less water being wasted.
- Water used for irrigation is fed through a gravity filter to reduce micro-organisms and fungi.
- Weed mats curb evaporation in the *Protea* plantations.
- Trials have been conducted with soil probes to measure the moisture content of the soil. We need to work on software integration and do more testing.

Pack house

- Transpiration is restricted due to effective cooling, meaning that flowers only need to drink once instead of twice.
- Metered, self-closing taps.
- "Green" plumbing and water efficient toilets.

Rain water harvesting

- We bought more rain water tanks during the reporting period and 8 of the 10 water tanks at the pack house have been connected.
- We are rolling out rain water harvesting tanks for farm houses over a 5 year period.





Water tests

The quality of our irrigation and potable water is tested annually by an independent laboratory in line with Global Gap requirements. Pack house water is tested in-house and treated to ensure optimum vase life for our flowers.

Water Committee

We have an employee-driven Water Committee responsible for water testing, monitoring and reporting. Dams and rivers are inspected and reporting on quarterly. During the reporting cycle an inexpensive irrigation system was designed for the farm vegetable garden. A future project is the purchase and installation of rain meter stations for the weekly monitoring and recording of rainfall.

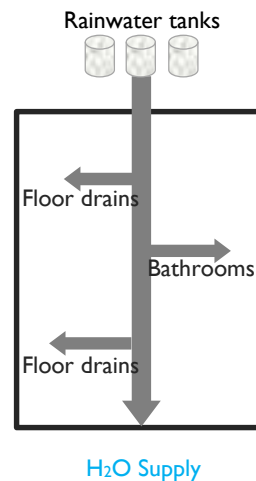
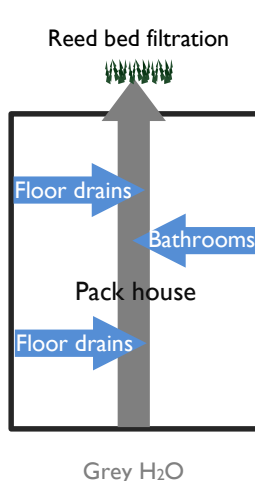
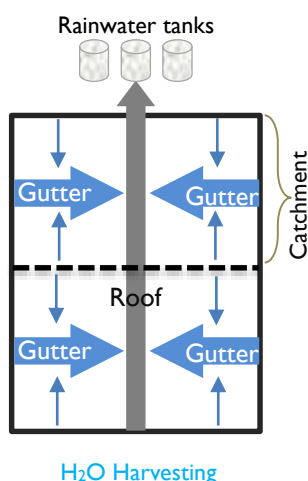
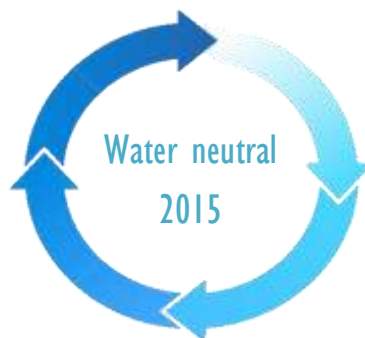
Water neutral

Approximately 3000m² of roof space in phases one and two act as rainwater harvesters, feeding water to box gutters between the various building components. These gutters discharge into rainwater tanks.

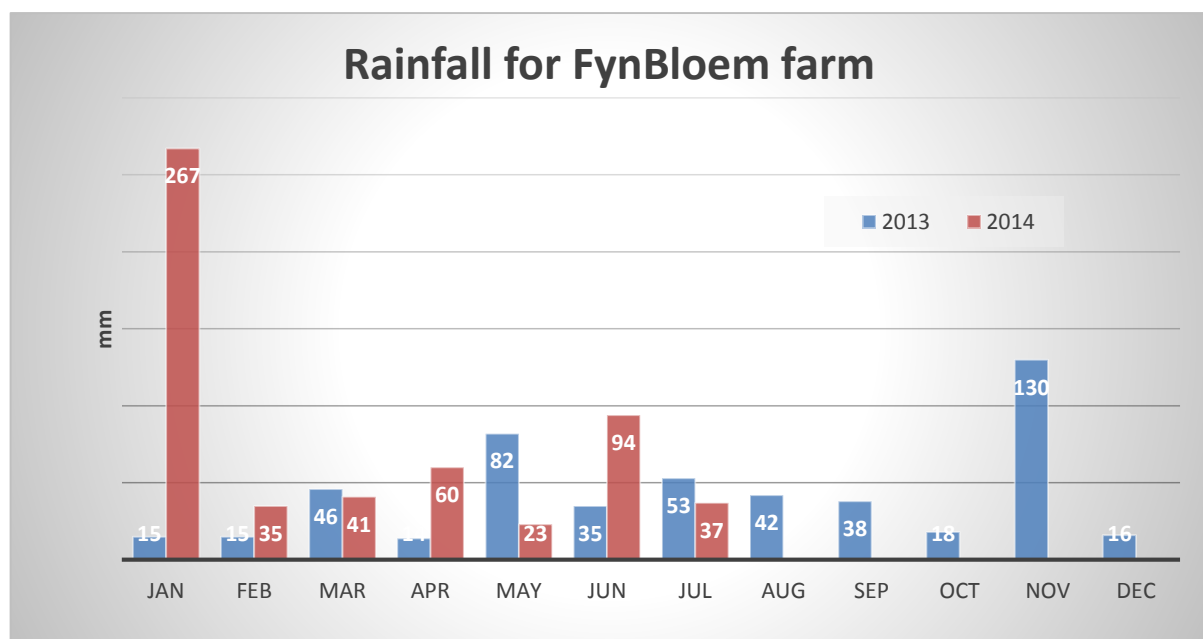
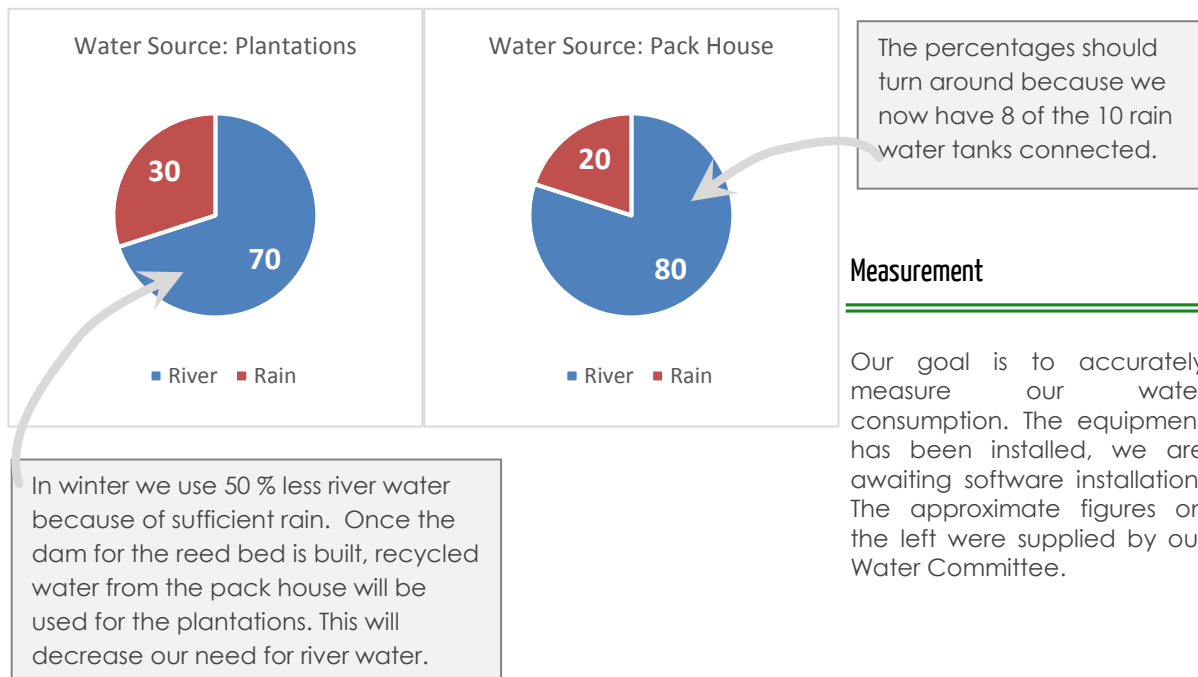
The water is fed back into the building under gravitational pressure. Conceptually these waterways are mirrored inside the pack house where the

water used in the process as well as for cleaning is channeled towards the main waterway, which runs perpendicular to the main circulation corridor. This waterway transports all the water to the dam where a reed bed filtration process is used to purify the water, after which the water will be fed back into the farm or re-used in the pack shed.

Great progress was made during the reporting period with the purchase and connection of rain water tanks and the building of the reed bed. Once the dam is built in 2014/2015, we shall be 100 % water neutral.



Aspect: Water



Aspect: Biodiversity and Land Management



We had no events in the reporting period impacting on areas of high biodiversity value.

Natural pest control

Weed mats prevent weed growth around the plants so that chemical weed control is much reduced.

Owl houses have been erected in the plantations to attract owls and birds of prey that are necessary for the control of rodents.

Responsible use of chemicals

- Our chemical store room and processes are Global Gap compliant.

Chemical handlers have been trained.

- Spot application and rotation of pesticides.
- Precision farming.
- We do not use pesticides that have been prohibited by M&S or the South African government and where possible, have switched to less harmful chemicals. This is an ongoing process of improvement.
- Soil fertilisers are applied only where indicated by soil analysis samples.

Soil management

- The weed mats maintain the natural soil environment, increase carbon levels and prevent soil compaction.

- We practise deep ripping and ridging for improved drainage.
- Erosion is prevented through the gradual gradient of contours.
- Gypsum is used to control soil salinity.
- Rocks from the plantations were used to build the pack house or were used elsewhere on the farm, for instance to build the water filtering kuil.

Fire protection

Trenches have been ploughed to prevent the spread of wild fires.

We have installed a special fire protection irrigation system.



Aspect: Biodiversity and Land Management



Conservation

We clear alien vegetation such as Black wattle, Port Jackson and Gum, all of which are invasive tree species that constitute a serious threat to our indigenous vegetation and water courses. Many interior design components of the pack house were made using wood off-cuts from these trees.

We assist the government with the counting of birds and animals when requested.

Monitoring of wildlife is done by our Fauna Committee who report on the quantity and prevalence of wildlife and birds on the farm.

The farm has a wildlife corridor for the free passage of animals. The farm includes a mountainous area, the conservation of which is shared with CapeNature.

Environmental impact assessments

Prior to any new development, like the building of the pack house, we enlist the help of professionals to ensure minimal impact on the environment.

Environmental Education

Worker education is done mainly through the two-monthly newsletter, The Bloemer. During the reporting period we featured articles on various animals and birds seen on the farm such as the slug eater snake, African spoonbill, caracal and grey rhebuck.

We have featured articles on what it means to be Carbon Neutral and the importance of recycling.

Environmental Committees

We have three Environmental committees: Water, Fauna and Flora. They have a monitoring function and issue quarterly reports on the state of the animal, water, bird and plant life on the farm and undertake special projects.

During the reporting period more Portulacaria Afra trees were planted on the farm. These trees are indigenous and do not require watering. They have amazing carbon conversion capabilities.

Another project we are very proud of is our vegetable garden. Beans, butternut and squash have been used in our canteen and we've planted herbs and salad greens. Work on our earthworm farm should commence in the new reporting period.

We have three Environmental Committees: Water, Fauna and Flora



Aspect: Emissions, Effluents and Waste



Emissions

RH friendly ammonia is used as a coolant in the cooling plant, instead of Freon. It is more flexible for the process flow, is low energy and ozone friendly.

The farm does not produce gases except from transport. Our efforts to reduce emissions include using smaller tractors and combining transport loads with the sister company.

Under the "Measurement" goal, we stated that we would like to measure our carbon footprint. We hope to have this completed within the current reporting cycle.

Goal: Carbon Footprint

Effluents

We do not emit effluents or waste into the environment. Our environmental committees monitor pollution and litter is cleared from river banks and vegetation.

Empty chemical containers are disposed of by a Global Gap approved chemical waste handler. Our chemical store rooms have been built to Global Gap specifications, specifically to contain spills and prevent harm to the environment.

Much effort has gone into sourcing environmentally friendly soaps and cleaning products for the pack house due to the sensitivity of the reed bed for water recycling.

Waste

About 95 % of our waste is plant material which is recycled and used on the lands as mulch, and lately, to make compost.

Water from the pack house will be recycled by way of the reed bed. Energy from refrigeration is recycled and used to warm the offices.

During the reporting period, focus was placed on recycling of glass, plastic, paper and metal. New recycling bins were placed in the canteen, in addition to the outside recycling stations. Storing our recycling is a new challenge and we are currently looking at buying a large container to keep our recycling dry until it is removed from the premises.



Aspect: Emissions, Effluents and Waste



We have partnered with a small, black-owned business in Riviersonderend, which has been mandated by the local municipality to do recycling for our local town.

This is part of a larger transition town project, involving local schools and the community, where coupons are issued for recyclables. These coupons can be exchanged for useful articles such as school stationery, toiletries and clothing at the local swap shop.

Many of these swap shops have opened in surrounding towns. At this point we are still waiting for the swap shop in

Riviersonderend to open, which will provide an even bigger incentive for staff to recycle.

We receive invoices for our recycling, giving a breakdown of accepted and rejected waste, enabling us to track our progress. A large percentage of our recycling was rejected because of it being either wet or dirty. This is something we shall be focusing on in 2014/2015 to improve. We should be able to provide improved statistics in our next report.

Goal: Improve Recycling

Our staff received recycling training by way of a staff information session and additional hints and tips are regularly given in our newsletter. Educating staff, and getting their buy-in, is a focus of the 2014/2015 reporting period.

Statistics for the last two months of the reporting period:

Sent for recycling:

Paper	5 bags	15 kg
Plastic	4 bags	5 kg
Glass	3 bags	8 kg
Metal	2 bags	2 kg
Card-board	1 bag	2,5 kg

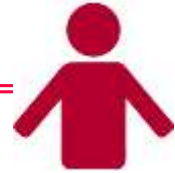
Recycling and supporting a community project



People

We believe
in respect
for
people's
dignity,
rights and
aspirations
and
subscribe
to the UN
Global
Compact
principles





Ethical Trade

We have adopted an Ethics policy whereby we undertake:

- not to employ child or forced labour;
- to promote health and safety;
- to allow freedom of association and collective bargaining;
- to practise fair labour practises;
- to avoid harsh and inhumane treatment;
- to practise fair and legal disciplinary procedures and
- to eliminate corruption and discrimination.

Ethical Audits

Our Ethics principles and practises are third party verified by way of external audits. We subscribe to the Sustainability Initiative of South Africa (SIZA). Our last audit was successfully passed in the reporting period and we received a 5 year audit interval. Our Self-Assessment Questionnaire is updated annually and is visible on SEDEX.

SIZA



SEDEX



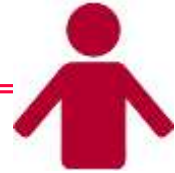
UN Global Compact

Our aim is to become official signatories to the UN Global Compact within the new reporting period.

Goal: UN Global Compact

We respect the rights of local indigenous people.
We do not practise forced evictions and there are no land claims against the property





Workers Committee

We currently have 13 committees consisting of between 7 – 15 staff members, across both companies. Ten committees consist only of FynBloem staff. Each committee has a democratically elected chairperson and vice-chairperson. Both temporary and permanent staff take part in the meetings.

Committees meet quarterly during working hours. Thereafter the chairpersons and vice-chairpersons meet with management, where the issues are discussed and solutions found with everyone's input.

As a result of the committee meetings, we sourced well-priced cooler bags for the plantation staff to keep their food cool in the field. We answered questions about wages and benefits and resolved transport issues.

The colourfully illustrated minutes are done in the two official languages and placed on the notice boards.

Housing Committee

Our housing committee oversees, inspects and reports on housing issues for staff living on the farm. Inspections are done 6 monthly.

During the reporting period, 17 FynBloem staff members were accommodated on the farm and about R100 000 was spent on general maintenance and renovations.

Employment Equity Committee

The Employment Equity committee members represent all race groups. They must ensure that policies and practises are free from

discrimination based on gender, race, religion, sexual orientation or disablement.

During the reporting period all concerns could be addressed through discussion and explanation.

Other Committees

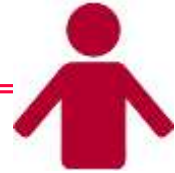
The function of the environmental committees is explained in the environmental section of the report.

The function of the Health & Safety committee is explained in a later section of the report.

CSR department

The CSR department oversees the activities of the committees and makes sure outstanding items from meetings receive attention.





Recruitment & Employment

The Company follows a policy of non-discrimination with regards recruitment and employment practises, which is verified by our internal Employment Equity committee.

We recruit from the local community and the majority of our workers are from previously disadvantaged groups. We are a key employer in the area and always aim to provide permanent rather than contract or seasonal work.

With the business being geared for 52 week production, we are able to provide stable employment and our employment numbers have steadily increased since the inception of the Company in 2009.

Staff development is a priority and our preference is to promote from within.

Employment Equity reporting

We abide by South African legislation and submit our Employment Equity report annually to the Department of Labour. The report reflects the racial and gender breakdown of the Company, per occupational category, and target figures in the form of a 5 year plan have been submitted.

Employment of disabled persons is encouraged by Employment Equity legislation and is another measured component.

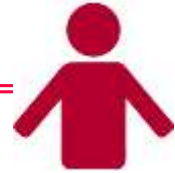
Broad-Based Black Economic Empowerment

In South Africa, companies are categorised according to sector, turnover and number of employees. During the reporting period we changed from being an Exempted Micro Enterprise to a Qualifying Small Enterprise which necessitated an external audit verification. We were measured on:

- Employment Equity;
- Skills Development;
- Preferential Procurement (support for Black-owned businesses);
- Socio-Economic Development.



Aspect: Diversity and Equal Opportunity



We are pleased that the result exceeds the minimum rating required by our stakeholders. (The ratings start from 8 and go up to a Level 1).

Current status: **BEE level 4 contributor**

Due to legislative changes we may be classified as a large Enterprise going forward, with a higher-to-achieve scorecard that will require us to rethink how we invest in our people and the broader community.

Our goal for the 2014/2015 financial year is to work with our consultants to find solutions that will benefit our company, our people, and our scorecard.

Goal: Maintain BEE rating

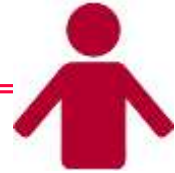
Workers' Ownership Trust

A Workers Ownership Trust is planned for 2014 which will give selected workers the opportunity to share in the profits of the company by way of longer-term benefits such as a pension fund, life cover, or to be able to fund better education opportunities for their children.

The Workers Ownership Trust will benefit previously disadvantaged groups.

Goal: Implement WOT





Policies

Our policy and procedure manual covers employment practises and our Code of Conduct. These are summarised in our Contracts of Employment.

The policies are available on a shared drive for team leaders.

Policies explained in our newsletter include: Time and Attendance; the difference between permanent and casual labour; the funeral fund; overtime; transport; and family responsibility leave.

Facilities

We succeeded in achieving a pleasant and cheerful work environment by incorporating the colours of the *Protea* in the design of the pack house.

We have a canteen with a fire place; a sick room; and lockers to store personal effects.

We have ablution facilities inside the pack house and plantations.

Partial funding has been obtained to build a creche to encourage more mothers to return to work and to give those who work, the peace of mind that their children are well looked after.

Transport

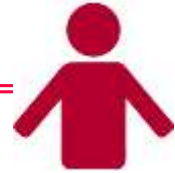
Transport to and from work is still provided free of charge, however, the value of the benefit now reflects on payslips.

Transport is often discussed at the Workers Committee and complaints and concerns are acted upon; leaks were repaired, the time schedule was improved, and lights were installed inside the trucks.

Clothing

Permanent staff receives free uniforms and safety shoes. The Company provides all production staff with standard issue safety shoes, but more





expensive shoes may be bought with the subsidy.

Rain clothes and gumboots are issued when needed. Higher job levels receive t-shirts, golf shirts or lounge shirts and gifts such as scarves, beanies and caps are given away as prizes in our two-monthly newsletter competition.

Nourishment

The canteen provides meals at cost price, alternatively food from home may be warmed in the microwave oven. During

peak times, free energy drinks are provided and staff receive a free meal when they work overtime.

Milk may be ordered from the Bloemenkraal dairy at a much reduced price.

Birthdays

Birthdays are celebrated the traditional way with cake.

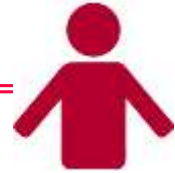
Permanent staff receives a cake when it's their birthday and cake and cool drink are shared with all when it's the CEO's birthday.

Special Events

A team leader barbeque was held at FynBloem to celebrate the South African holiday, Heritage Day.

A small team of staff and team leaders accompanied the CEO to a semi-final rugby game at Newlands, Cape Town, and another team visited the agricultural show in Bredasdorp.





Year-end Function

The highlight of the year is our year-end function which is well-known in the area, as most surrounding farms have stopped this tradition.

FynBloem, however, continues to spend much time, money and effort on this event to make it truly special and to say thank you to our staff for all their hard work during the year.

The event is structured and includes team building, a barbeque, a prize giving ceremony and dancing. Sound equipment is hired.

It is always a nice surprise to see how well the teams work together to co-ordinate their clothing and colours.

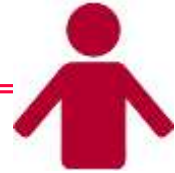
Staff is given the opportunity to share in new experiences like riding a mechanical bull.

A special word of thanks was conveyed to the CEO and management through the Workers Committee meeting of February 2014:

We say thank you to Mr Beyers for the nice year end party.

There are few people who care so much for their workers.





Health & Safety Committee

Staff from all areas of the business (pack house, plantations and sister company) are represented on the Health & Safety committee. The committee meets quarterly.

Health & Safety Qualified

We currently (across the two companies) have the following trained personnel:

- 15 staff equipped for fire fighting and knowledgeable about the fire equipment;
- 20 staff trained on safe use of chemicals;
- 4 first aiders with valid certificates;

4 health and safety representatives with valid certificates;

- 2 staff members with valid forklift operator licences;
- 6 staff members with valid tractor drivers' licences.

Emergency Planning

Our evacuation plans were drawn up by consulting engineers and verified by a safety inspector. Emergency personnel have been appointed such as floor and fire marshals. We have an annual evacuation drill and service our fire equipment annually. We had a fire safety inspection and as a result replaced five DCP fire extinguishers with CO₂ fire extinguishers. Our fire safety certificate is on display in the canteen.

Training

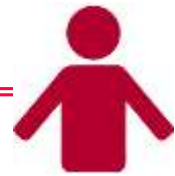
We have a health, safety and hygiene policy of which the main points are included in employment contracts. New staff are trained on the equipment to be used and receive hygiene instruction on commencement of employment.

Education

During the reporting period, our newsletter featured information about:

electrical safety in the home
breast cancer
colds and flu treatment and prevention
HIV/Aids prevention
first aid at work
contraception





tuberculosis
burns prevention
domestic violence

We were privileged to have our national energy supplier, Eskom, educate our staff about Electrical Safety.



Safety at Work

Safety at work is a priority for us and where necessary, we issue gloves, protective goggles, dust masks or whatever equipment is necessary.

Further adjustments were made to the greens line to reduce the noise level of the blade, and staff was issued with ear plugs. We invested in safety mats to reduce the impact of standing long in one place and trialed different wrist guards to make it easier for bouquet makers to handle the weight of the bouquets.

Access to Healthcare

A mobile clinic from the local hospital provides staff with access to basic healthcare,

such as blood pressure testing, chronic medication and contraception. The visits take place monthly. Staff who need urgent medical attention while at work are transported free of charge to local or regional hospitals.

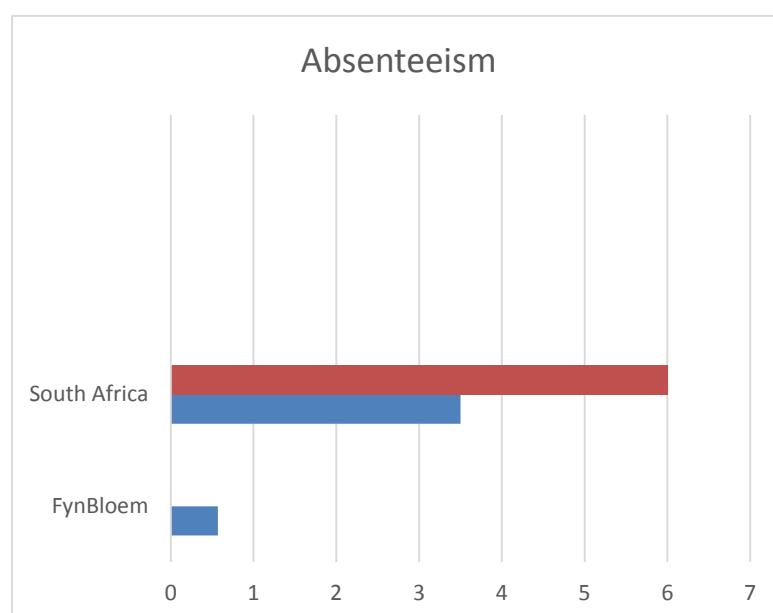
Injuries on Duty

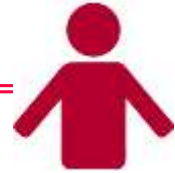
In the five years that FynBloem has been operational, only one injury on duty required time off. The incident occurred during the reporting period. An employee slipped on the harvesting trailer and twisted her ankle, due to water spillage that had occurred. We have a procedure in place to investigate each accident/incident so that remedial action can be taken.

Absenteeism

Absenteeism due to sick leave was 0.57 % in 2013. With the addition of absence without permission, our rate increased to 1.48 %. According to the Human Capital Review, the South African absenteeism rate varies between 3.5 to 6 %. We are very pleased with our result and have started to reward our staff for zero absenteeism.

At our 2013 year-end function we had 4 award recipients across companies, of which one staff member was from FynBloem.





HIV / Aids

The IFU assisted us to implement an HIV/Aids education and testing programme in conjunction with CareWorks, a company offering workplace programmes in South Africa.

128 Staff members from the three companies attended the programme over 3 days in June 2013. Education was interactive and testing was voluntary. Staff had access to confidential counselling and a longer-term treatment programme.

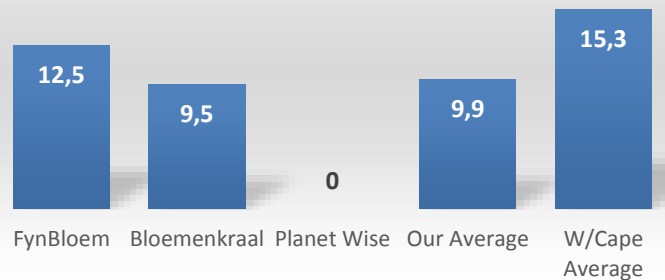
95 % of staff agreed to get tested. We are pleased that our ongoing education and prevention initiatives have borne fruit and that our infection rate is lower than the Western Cape average.

Other statistics:

- 53 % of staff had prior testing of own accord;
- All infected staff, except one, had prior knowledge of their status.

Our HIV/Aids policy is non-discriminatory and we assist those who ask for help, on a one-on-one basis. The mobile clinic dispenses free ARV treatment and food supplements. Transport is arranged for affected employees to continue their treatment at local hospitals. Condoms are dispensed freely in the ablution facilities.

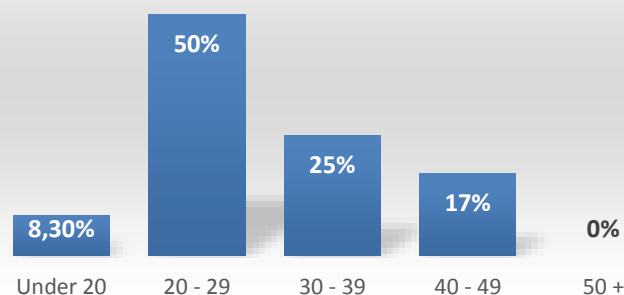
Prevalence

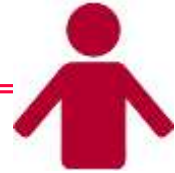


Prevalence by Gender



Age analysis





Wages

The minimum wage for the Agricultural Sector is determined by Government annually in March. An increase of 6 % was legislated in March 2014.

We are able to maintain a pay rate of approximately 12 % above minimum wage.

Disputes and Unrest

No incidents of labour unrest or wage disputes occurred during the reporting period.

Labour Force

Preference is given to permanent employment. We do not employ casual or seasonal labour as staff is shared between Companies and at peak times, staff from Bloemenkraal Estate may be called on to help out at FynBloem. Provision is made for this in contracts of employment.

Special Dispensation

Proteas need to be harvested at a certain maturity stage, necessitating a 7 day

harvesting period. A special dispensation was obtained from the Minister of Labour to enable our plantation staff to work on any 5 days of the week, to ensure we have harvesting teams available 7 days a week.

Currently, we have to apply for dispensation annually but we shall be motivating to for a longer exception period.

Overtime

In order to work more flexibly and avoid the overtime cost and the impact of long hours on staff, we introduced Compressed and Extended time. This flexibility of hours during a normal work week is allowed by current legislation, provided the employee's total hours for the month (or a longer period) is not exceeded.

Time & Attendance

A finger scanner linked to an automated Time and Attendance system was introduced during the reporting period. The system was phased in and ran alongside our usual attendance registers, to measure accuracy.

The aim of the technology is to control access to the pack house building and to give us a more accurate record of actual hours worked.

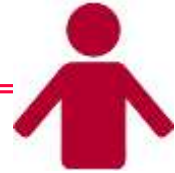
Workers are now paid for actual hours worked instead of days worked.

Crime

Our search policy has been in operation for 18 months and during this time an average of 3 staff members per month were searched without any proof of theft.

One incidence of theft was reported to management during the reporting period which enabled us to investigate further. The staff member who reported the matter was rewarded for her honesty.





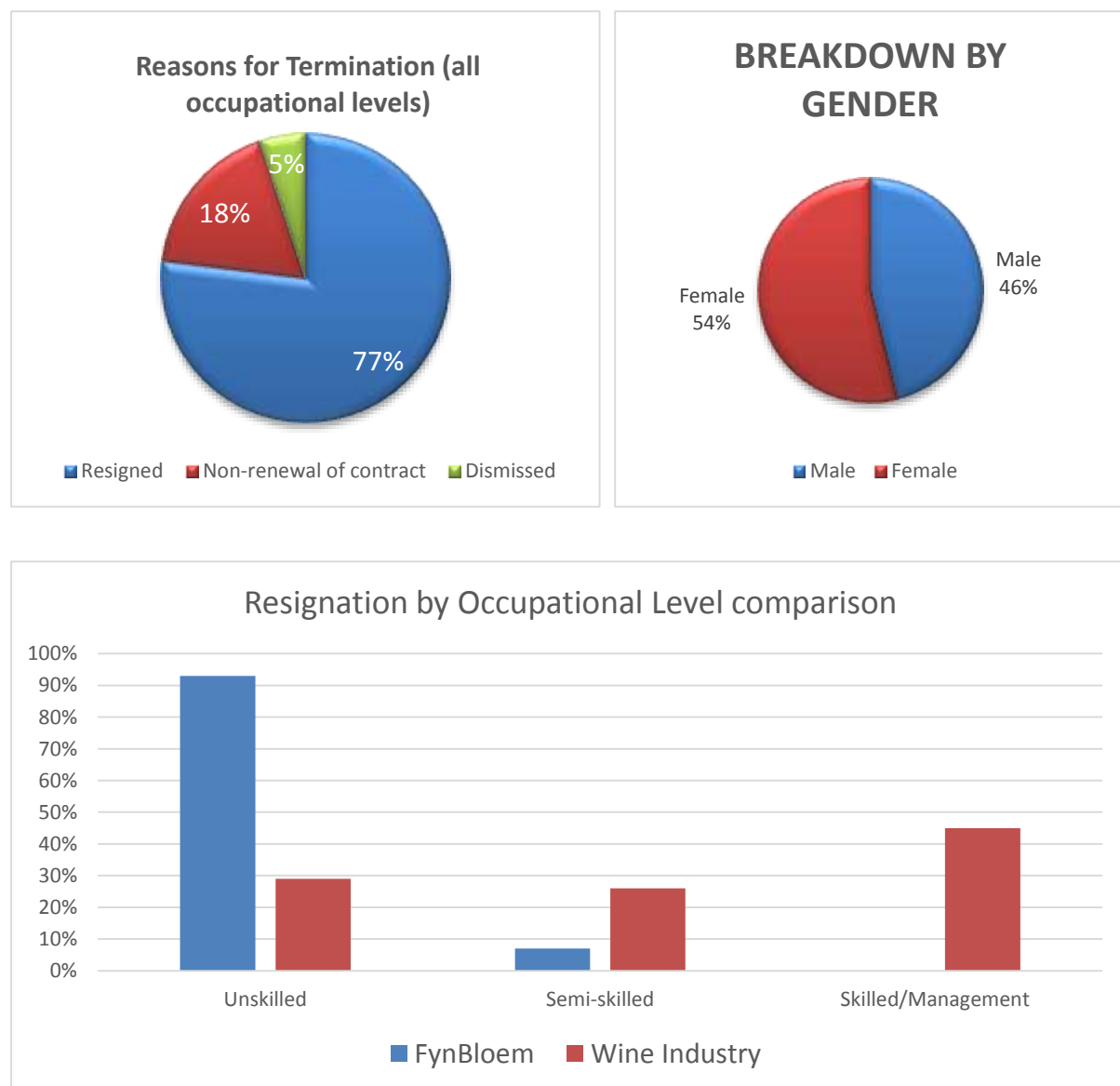
Labour Turnover

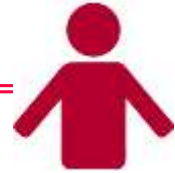
Our Employment Equity report for 2013 reflected a turnover in permanent staff of 26 %. Resignations came from the semi-skilled (7 %) and unskilled (93 %) occupational categories only.

In comparison, the Wine industry statistics for 2013 reflect a turnover rate of 55 % in the semi- and unskilled categories, with 45 % of turnover coming from skilled, mid-management and higher occupational levels.

We were fortunate to have had zero turnover in our higher occupational levels.

For labour turnover purposes, permanent or temporary transfers between companies are not taken into account.





Staff Benefits

The value of the following benefits are reflected on payslips:

- Funeral Fund which is free to the employee;
- Transport to and from work, which is free to the employee;
- Housing for staff living on the farm, for which a nominal fee is charged based on the number of rooms;
- Retirement Annuity, a new benefit introduced during the reporting period.

Staff may purchase milk from the Bloemenkraal dairy at cost price. Items of clothing that are given free of charge are not reflected on payslips.

Pay Scales

Pay scales exist and are based on job grades and performance. These are the only criteria influencing pay, no other factors such as age, race or gender are taken into account.

Promotion

Our 2013 Employment Equity report reflects four promotions into higher occupational categories. In total, 26 promotions were processed during the reporting period.

Recognition of Service

The contribution made by committee members is recognised annually at our year end function. We also reward zero absenteeism.

Performance

Individual staff performance is rated weekly by the team leaders and displayed in the work area to support transparency. At the end of each month the points are converted to a Rand value, based on production output. Staff who perform well and

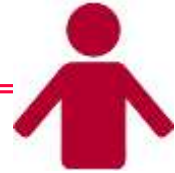
contribute to the team effort earn more than non-performers.

Recognition of Work Ethics

We have an annual Best Team Leader and Best Worker competition. The competition is run in two categories, namely: nominations by management and team leaders (2 winners); and nominations by staff (2 winners). All four winners receive gifts, certificates, and a family photo opportunity with a professional photographer.



Aspect: Skills Development



Education is important for us because we believe it provides our employees with opportunities to grow within the organisation, creating a passion and drive for the success and longevity of FynBloem.

We encourage continuous learning through formal courses, on-the-job training, mentoring and initiatives to develop skills and improve knowledge, not only to support job performance, but also to equip staff with important life skills that are often lacking in our rural community.

We would like to thank the Danish Business-to-Business fund for supporting us to improve the skills of our employees.

Mentorship

Our mentorship programme was started in 2012 in conjunction with the Ethical Leadership Institute. To date, 15 staff members have benefited from the programme.

Because of FynBloem's rapid growth over the past two years and the added challenges this creates for management in regards to increased responsibilities, we contracted ELI to assist with skills training to enable our employees to embrace change. The focus on leadership development and skills, such as self-evaluation, has led to lower staff turnover and increased communication and team-work.

the cultivation and marketing of all Proteaceae. FynBloem have contracted Dr Malan to consult monthly with our Plantation Managers, Noah Chinyanga and Louis Claasen, giving his expert advice as well as practical training in actual application in the plantation / nursery, therefore ensuring ongoing sustainability.

Adult Education

FynBloem encourages its employees to further their schooling and complete the minimum South African qualification (Matric) to enable them to go on to tertiary education.

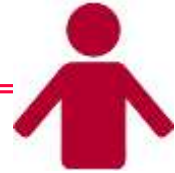


On-the-job training

Dr Gerhard Malan has been consultant for the last 15 years to all the successful fynbos producers in South African and many other countries that produce *Protea* cut flowers commercially and is world-renowned for his knowledge of



Aspect: Skills Development



We have arranged this training through Adult Basic Training and Education (ABET) classes given during work hours. The company pays the examination fees and staff who successfully pass a subject, have a year's study fees refunded. In addition, the company grants paid time off for examinations plus two days paid study leave.

A computer was made available for those employees who are taking computer classes.

During 2013, four staff members enrolled and three successfully passed their exams. For the 2014 study year, we have seven enrolled students.

Driver's Licences

Team leaders are encouraged to obtain their driving licences. The cost of the lessons and licence fees are paid by FynBloem. One team leader successfully obtained his driver's licence during the reporting period.

Life Skills

In October 2013, 25 staff members from the three companies attended a four day life skills training course.

It was interesting because many of us didn't know what emotions and feelings consist of and what conflict meant. The course taught us to be responsible, how to care for others and to control our emotions.

As mentioned earlier in the report, we also educated staff on electrical safety and HIV/Aids and our newsletter featured articles on how to manage and avoid debt, with particular reference to garnishee orders, and how to care for their animals at home.

M&S Plan A

Our CEO attended the conference in the UK and members of management were able to attend the workshop in Stellenbosch, South Africa. We are grateful for the opportunity to get guidance and learn from our customers and other farms



that supply Woolworths South Africa and Marks & Spencer.

SIZA Capacity Buidling

Two members of the management team attended a two-day training session on ethical compliance, offered by the Sustainability Initiative of South Africa.





Agricultural Shows

Seventeen team leaders and their assistants had the opportunity to visit the largest agricultural show in South Africa, NAMPO. The show boasts 650 exhibits from 52 countries. The route took us on a 14.5 hour journey (one-way) across country in brand new camper vans. The highlight of the four days was a team building event which took place on a game farm.

Sustainable Harvesting

Two staff members attended a four-day Harvesting Natural Flora course through the Green Futures College. They learnt about fynbos, harvesting sustainably, biodiversity and how to protect the natural environment. The information was especially useful for Louis, who is also a member of our Flora committee.

Leadership for Hope

Six staff members across all companies received an opportunity through retailer Marks & Spencer, to attend a 3-day self-development programme. We extended the invitation to our suppliers and funded the transport and accommodation in Ceres. The message is one of hope and inspiring people to take responsibility for their lives and to make a difference in their communities.

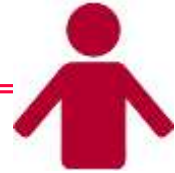


Exchange Visits

The Ethical Leadership Institute arranged an exchange visit between FynBloem and Oak Valley farms, a leader in the wholesale fresh cut flower market in South Africa, specialising in lilies, tulips and seasonal cut flowers, which are mainly grown in green houses.

Leadership is the ability to create a story that affects the thoughts, feelings, and actions of others. We also learnt that leadership doesn't only exist for ourselves, but for the benefit of other people. By only changing the way we think, we can change our lives.





Over the years, we have built long-term relationships with preferred suppliers, becoming their partners in a joint sustainability journey. By offering these growers access to knowledge and resources, we are setting an example to professionalise the fynbos industry and to ensure its long-term sustainability.

We have increased the focus on our supply chain to get technical requirements in place such as the measurement of ethical compliance, encouraging more suppliers to obtain Global Gap certificates, getting formalised supplier contracts in place, and rolling out the Sustainable Harvesting programme to our fynbos suppliers. The result of our increased effort is encouraging and this new goal will be reported on annually.

Goal: Supply Base: Increased Compliance

Protocols

FynBloem has formalised the supply of raw products in our industry through the introduction of protocols (which are continually updated) for farmers, such as the sea freight protocols. A quarterly report is issued to fynbos harvesters with

suggestions on how quality may be improved, often sharing new information that has come to light in our research.

Sustainable Harvesting

We believe that fynbos should be harvested sustainably and are working with stakeholders such as our suppliers, Flower Valley Conservation Trust and MM Flowers to deliver a measurable Sustainable Harvesting Code of Practise for FynBloem suppliers, that forms

part of FVCT's Sustainable Harvesting Programme. Much progress has been made to agree a workable Code and to implement it with our five main suppliers. Once the Code has been fine-tuned, we shall continue with the rollout to our smaller or occasional suppliers.

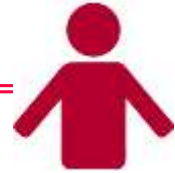
During the reporting period, we co-sponsored a 4-day Harvesting Natural Flora course through Green Futures College, which was well attended by representatives from suppliers' harvesting teams, and two of our own team leaders.

Our suppliers are authorised to harvest fynbos by CapeNature, who is responsible for biodiversity conservation in the Western Cape.

Suppliers' permits are closely monitored by our Technical department to ensure that we only buy species that may be harvested.

We feel it is important for us as a pack house to set the example to ensure a sustainable future for Cape fynbos.





Ethical Trade

To encourage our fynbos suppliers to join SIZA, we subsidised half of the first year's joining fee. So far, four suppliers have joined SIZA and are in the process of completing their self-assessment questionnaires. SIZA is investigating a more affordable third party verification audit option for smaller suppliers.

We are also encouraging and assisting our cultivated suppliers to join either SIZA or SEDEX and to complete the self-assessment questionnaire as a measure of their ethical compliance.

FynBloem is a member of SIZA as a production facility and as a pack house, which enables us to link our suppliers to us online, with visibility rights to our export agent and customers who wish to see the status of their supply chain.

During the reporting period a Capacity Building workshop, offered by the Sustainability Initiative of South Africa, was hosted by FynBloem for its suppliers.

Farming Practises

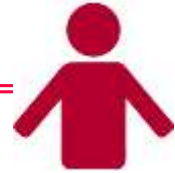
We encourage suppliers to extend their Global Gap audits to cultivated flowers and to complete a Due Diligence report to provide us with information about their

farming practises, environmental initiative and to ensure our suppliers adhere to Health and Safety legislation.

Knowledge Sharing

Where possible, our suppliers are included in FynBloem initiatives, such as the Leadership for Hope event, training on Harvesting Fynbos Sustainably, SIZA Capacity Building workshop, and the M&S Plan A conference that was attended by FynBloem and some suppliers.





Our family

We believe that our staff initiatives have a ripple effect, that by looking after our staff, we benefit their families and the community in which they live. Our focus is on Riviersonderend, a small and impoverished community, where most of the staff live.

Staff who have problems at home are assisted on an individual basis. During the course of the year, two staff members lost all possessions in a fire. Their colleagues started an initiative to collect money for a donation, which the company matched. Should a family member pass away, the company donates flowers and often makes transport available.

We believe by educating our staff, we educate the community. Projects such as recycling, HIV/Aids education, safe handling of electricity, and providing educational reading in our newsletter, The Bloemer, all filter through to the broader community.

We want to make FynBloem more visible in the community as a preferred employer to make our staff proud and to attract the right staff.

Our homes

Permanent production staff of a higher job grade may join a Company saving scheme. At the end of the year they qualify for an interest-free loan for 50 % of the value of their

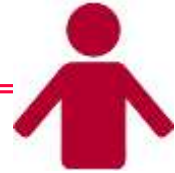
savings. Staff are then taken on a shopping trip to Cape Town, where Mr Beyers personally negotiates better discounts for them, so that they may buy large home appliances, cameras or other durable household items. The "shopping day" is on a Saturday and our trucks do the collections for them free of charge.

Our children

At the end of each year, Mrs Beyers and her daughter Lulu, buy gifts for the children living on the farm. The gifts are carefully selected to suit each child and have educational benefit. This is a family tradition which has been upheld over many years.



Aspect: Community and Social Responsibility



During the June 2012 school holidays, drama classes were offered for the children. The completion of our creche project will have tremendous benefit to these children, giving them on-site access to quality education.

Our players

We support staff who join the local rugby club by paying their membership fees, transport costs for away games and sponsoring their clothing such as rugby boots, t-shirts and tracksuits.

Our needy

Sister company Bloemenkraal supports the local soup kitchen by providing meat. The soup kitchen feeds hungry and needy members of the community.

Our flowers

Flowers are provided free of charge for community events, such as concerts and meetings at the local school, old age home and for funerals. Donations are made to the local police, who do their best to combat crime in the area.

We exhibited on small scale at the local Caledon Country Fair and will continue to support local flower shows to give our workers the opportunity to show our products to their families and friends and to instill a sense of pride in the company they work for.

Mandela Day

This is always a special occasion at FynBloem where workers get the opportunity to nominate a worthy community cause. In 2014, workers voted in favour of the under-15 soccer team started by BADISA, a local social services NGO, as part of a bigger Anti-





Drug campaign. The children also get taught life skills through the programme. The project was nominated by one of our team leaders, Leftara, who is also the soccer coach.

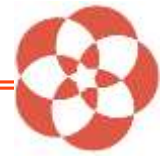
The team was sharing two balls and we therefore bought them enough practise balls and also two match balls, together with tracksuits for the two coaches. The Workers Committee spent their 67 minutes playing soccer with the children and a formal handover was done, together with BADISA, with the children also being treated to cake and fruit juice.



Product

Every 1 ½ hours of leaving the raw product in an uncooled environment lessens the vase life to the end user by one day. This has been the **major motivation factor** behind FynBloem's investment into **improving our processing environment and methods**





Plantation design

Life expectation of plantation blocks was increased by 20%, through the following interventions:

- Drainage and filtering preparation – ripping the planting area to 1.1m in depth for drainage, and removal of stones;
- Designing of a ridge upon a ridge effect (main block and plant row) to improve drainage and protect the top soil;
- A gravity filtering kuil was built at the water source to filter the water from fungi and micro elements and prevent infection of plants with root diseases;
- The top soil was increased to a depth of 65cm.

Extending the life of the tree

Annual weeds are controlled with weed mats to maintain the natural soil environment and to increase carbon levels. This results in less compaction of the soil.

Scissors with spray protective coating prevent infection of the tree due to open cuts.

Managing sun sensitivity

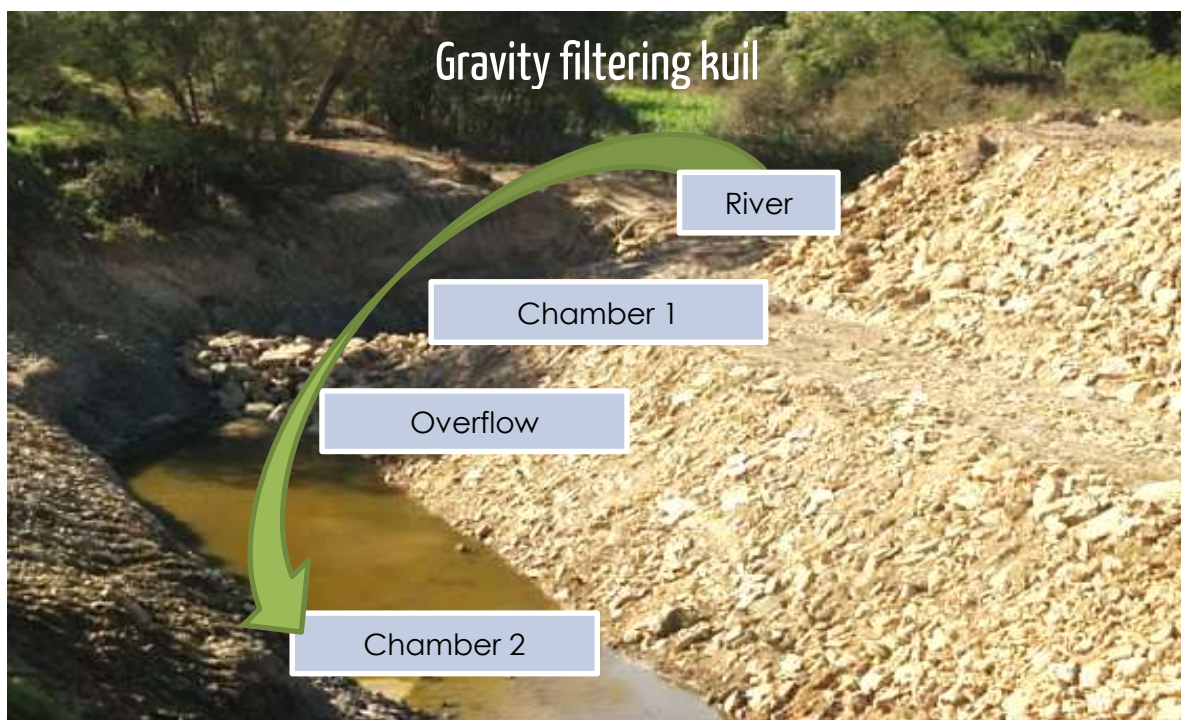
Some sun-sensitive cultivars are shaded and receive internal stress boosting to prevent sunburn.

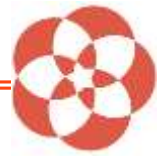
Harvesting machine

First in the world with custom designed Protea harvesting machine

The harvesting machine was designed to our specification by the Olden factory in Denmark and delivered to us in June 2013. The machine needs fine tuning before we can have the benefit of full functionality. Once fully operational, the harvesting machine will benefit production in the following ways:

Life expectation of plantation blocks was increased by 20%





- Get the product quicker to the pack house;
- Unnecessary plant material is left in the land for natural composting;
- Protecting flowers from sun after harvesting;
- Less handling, therefore less damage;
- Computerised counting and grading to size with the added benefit that the information will be available in real time.

The plantation blocks have been designed for operational effectiveness. The roads are 5.8 meters wide allowing for harvesting efficiency and mobility of the harvesting machine.

Harvesting trailer

The benefits of our custom-built trailer are:

- Shielding freshly harvested products from the sun;
- Stems are placed in buckets on trolleys which can be wheeled straight into the cooling facilities of the pack house;
- Specialised conditioning solutions can be added to the bucket water while the product is still on the land.

This is an important feature because the first “drink” after harvest is the most crucial.

Innovative human aids

Our plantation workers have custom designed waistbands for tools and scissors, allowing more “hands free” and a quicker response time to challenges on the land.

Increased planting

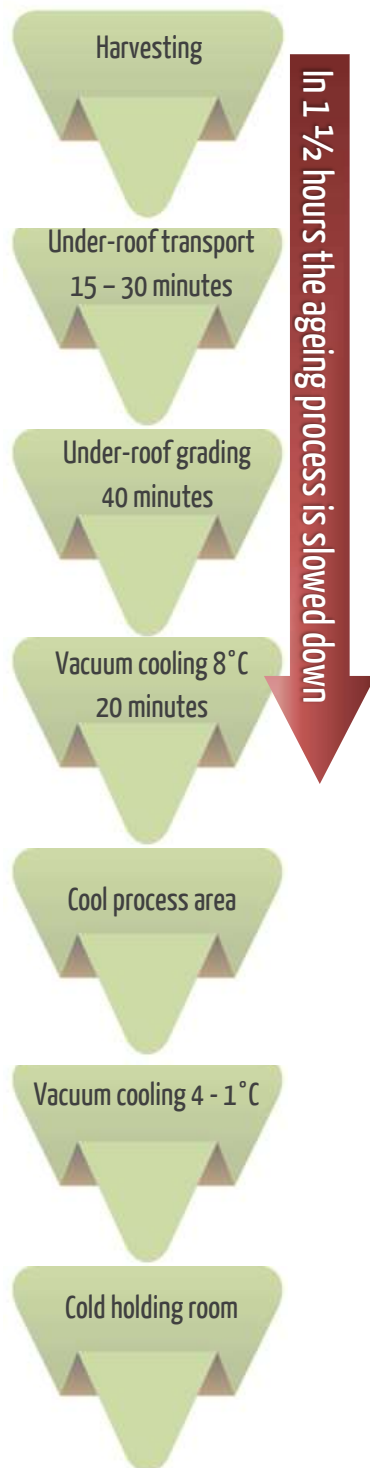
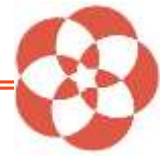
Increased planting will result in an increased 2014 harvest with approximately 2.5 million stems.

Own *Leucadendron* farm

Leucadendrons gives a better variety of filler products suitable for sea freight and offer new design possibilities for bouquets and better quality and consistency in supply. Our goal to own our own *Leucadendron* plantation was realised during the reporting period.

Goal achieved!





Pack lines, machines and tables

Our pack lines, stem cutting machines and bouquet tables were made locally according to our specification and to support our process.

Additions were made in 2014 to promote better and quicker product flow and better quality control. These include scales, laser marked lines and rotation tables with built-in specification information that is interchangeable, as needed.

Process flow

Because the pack house was specifically designed around the best process for Proteas and bouquet production, we are able to start retarding the ageing process of the flowers after 1 1/2 hours of harvest, which is far better than the industry average of 4 – 8 hours, giving our end users a fresher and higher quality product.

Our research has shown that 1 1/2 hours in an uncooled area means one day less in the vase, so cutting down on pre-cooling processing time is critical to a good quality product.

Cold chain

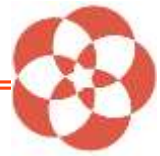
The pack house was designed for Proteas to be gradually cooled in a downwards cooling scheme as they go through the process.

Under-roof harvesting, under-roof grading, field heat removed by vacuum cooling, having a cooled processing area and then vacuum cooling before placing into cold holding rooms.

The holding rooms have computerised alerts for temperature fluctuations or in the event of power failure. Each product has a protocol for vase life and storability and with additional info – so that production can manage products optimally for quality.

Producer with the best cold chain for fynbos





Vacuum cooling

We use a world class vacuum cooler which has been imported, allowing us to cool the product to the desired temperature for storage in our holding cold rooms or before loading of sea freight containers.

Vacuum cooling enables us to remove field heat within 20 minutes, whereas with conventional cooling it can only be achieved within 3 hours. This is a huge saving in cooling time which adds to the longevity of the product.



Fumigation

The vacuum cooler has excellent fumigation capabilities, more so than can be manually achieved. Good fumigation is critical to successful customs clearance but is difficult to achieve manually due to the flowers being closed prior to shipping.

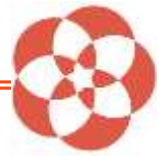
Adjustments must be made to the vacuum cooler to enable the use of the fumigation component. New program software has been installed for the functionality of all components of the vacuum



cooler for Proteas and fynbos specifically. We are aiming towards full utilisation of the vacuum cooler by the 2015 South African summer.

**Best equipped pack house
in the Western Cape,
designed for Proteas and
fynbos**





Sea freight

We initiated research on the sea freight capability of Protea and fynbos a number of years ago in conjunction with the University of Stellenbosch. Nicole Windell, who has been involved with the project at university, joined us full-time on completion of her studies to take the project further.

During the course of the reporting period we have made extensive progress with our sea freight trials.

Tests, such as temperature logging, were done in our own on-site sea freight container and protocols have been put in place.

Sea freight unlocks values and new materials e.g. cones and plumosums and heavier raw materials that can be used as one pays for volume rather than weight.

It will allow us better management of peak periods and better control over the cold chain, which will give us an improved product.

Both the pack house and plantation have been designed for sea freight volume requirements.

Before rolling out the project we did two live trials in September and October 2013 which were very successful.

As production increases for 2014, sea freight will slowly start rolling out. In the meanwhile, more focus is placed on our cultivated Proteas and with the past year's trials our Winter Season holds good favour for sea freight in 2015.

Vase life

Vase life is extended through research with the aim of exceeding customer expectations.

This is achieved through cold chain management, quality control and our water treatment program.

Research is done on all our products and fillers in-house at our on-site vase life evaluation and testing facility. External laboratory services are used for more in depth research on water, soil and leaf analysis.

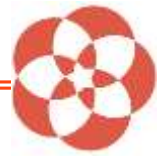
After much experimentation we have set a standard for the water we use for flowers in the pack house. We are conducting our own random in-house tests on the water to ensure that the standard is maintained for optimum vase life.

For Mother's day 2014 we received many compliments from our customers on the quality of our bouquets, which is mainly due to all the protocols the R&D department put in place from the findings of their research.

Dyes

During the reporting period tests were done with more environmentally-friendly water-based dyes. The dyes are bought in powder form and mixed by us, according to our particular colour requirements. We are very excited about the outcome of our tests and the new colour tones that can be added to our bouquets.





Varietal upgrades

We are the biggest *Protea* producer with the most varieties. Scientific pruning methods are used to meet peak market demands. New varieties have been propagated to reduce dependency on *P.compacta*, a wild harvested *Protea* that is prone to insect damage and severe natural disease.

Varietal manipulation

Scientific pruning techniques are employed to control flowering time, for instance the King Protea which we have manipulated to yield earlier.

Selection of new cultivars

In 2014 we started screening for new products from seedling populations or from untested cultivars growing on different farms where the plants would either be neglected or pulled out. These Proteas are screened for storability, quality and vigour, as well as customer colour and shape preference.

One of the most sought-after *Protea*, the *King Protea*, has yet to be cultivated for a specific size, colour and type. We are currently screening flowers from our own planted motherblock, as well as on another farm, for suitability. One of the main features we

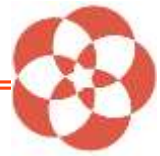
are looking for is colour: a true white, beautiful pink or other interesting variations.

Following the screening, planting of seeds and breeding will follow.

We have already selected a few successful cultivars for planting, specifically for their flowering time, which falls in a low availability season.

Producer with most varieties, in high volumes, worldwide





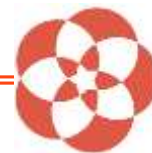
Our bouquets are designed according to customer requirement, with different colour palettes according to the season, and different ranges in luxury, standard and budget bouquets to suit the market. Our research into new dyes has opened up a whole spectrum of colour possibilities.

During the reporting period we started producing two high-end bouquets on a permanent basis, whereas in the past, these more expensive bouquets were produced seasonally. We introduced straight foliage bouquets and now sell foliage pre-packed, giving customers in stores the ability to create their own bouquets.

The foliage, being Cape fynbos, is unique to the area in which we are situated, and is not found anywhere else in the world.

To remain innovative we are continuously sourcing and testing new endemic species that could possibly be used in bouquets.





Share your input:

We welcome feedback on our Sustainability Journey.

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