



Enterprise and Supplier Development:

LFP Hydroponic Farming Solutions is geared towards maximizing your company's B-BBEE score whilst creating sustainable farming careers and state-of-the-art Hydroponic Farms. This solution tackles unemployment, water restrictions and food security issues.

Why hydroponic farming solutions are important to our communities...

Hydroponic farming is a sustainable, productive alternative to conventional farming which makes use of only 10% of the water used in conventional farming. While traditional farming methods fall prey to external environmental factors such as high equipment costs, pesticides and a lack of fertile soil, hydroponic farming is an eco-friendly, controlled method to cultivating crops. These farms can be set up virtually anywhere for sustained job creation around the country. More and more farmers are starting to adopt hydroponic farming to address issues around food security and shortages.



Fast
Growth

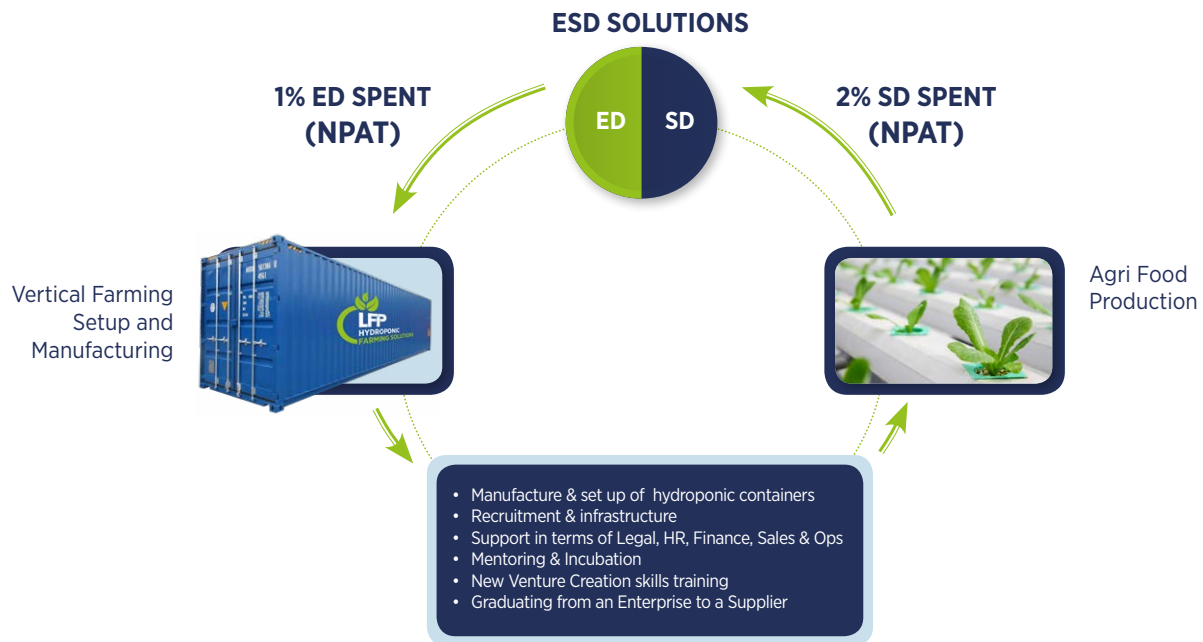
Higher
Yields

Water
Saving

Less
Diseases

How you can benefit from LFP Group's Hydroponic Farming Solutions...

- As per the B-BBEE code series 400 – Enterprise and Supplier Development (ESD) element, large organisations are incentivised in the form of B-BBEE points for their contribution to the development of small entities.
- LFP Hydroponic Farming Solutions utilise the contributions received from clients to manufacture and setup Hydroponic Farms.
- Through this innovative and sustainable solution, your contributions are not only used to manufacture and set up farms but also to recruit, mentor and provide employment opportunities for previously disadvantaged individuals. Once set up, these farms will become a stable income stream for these individuals who will eventually graduate from an enterprise to a supplier.
- Infrastructure will be created through ED funding and will be operational.
- LFP will be managing each farm, mentoring the workforce to become fully-fledged owners of their own hydroponic farms.
- They will receive training in FET New Venture Creation (NQF level 2 and 4) to learn the fundamentals of starting and managing their own enterprise, and will be upskilled on hydroponic farming both theoretically and practically
- LFP will assist in contracting and providing general support to ensure that these enterprises graduate into suppliers, through the mentorship team that consist out of Legal, Finance and Business Incubators.



B-BBEE Benefits of Enterprise Supplier Development

The Weighting points within the ESD element of the scorecard represents the maximum number of points available for each of the criteria.

BONUS POINTS	Weighting Points	Compliance Target
Procurement spent on designated group suppliers that are at least 51% black owned	2	2%
Annual value of all Supplier Development Contributions made by the Business as a percentage of the target	10	2% of NPAT
Annual value of Enterprise Development Contributions and Sector specific Programmes made by the Business as a percentage of the target	5	1% of NPAT

What is a Qualifying Enterprise and Supplier Development Enterprise / beneficiary?

- In order for an Enterprise to be eligible for Enterprise Development Contributions, it must be financially and operationally independent and be a business with less than R50m turnover (i.e. a QSE or EME) that has at least 51% black ownership.
- A qualifying beneficiary must be able to provide the donating party with sufficient proof that it qualifies. This proof may be given in the form of a Sworn Affidavit, and Independent Competent Persons report or a limited assurance report obtained from a BBBEE auditor.

Enterprise Development

The Contributor Entity (Donor)

There is 5 points available for Enterprise Development for the measured entity and can be obtained by contributing to specific programmes as a percentage of their target, which is 1% of NPAT for Enterprise Development. The contribution will be utilised for the manufacturing and set up of the LFP Hydroponic Farm.

There is 1 bonus point available for graduation of one or more Enterprise Beneficiaries to Supplier Development Level.

In order for a contribution to qualify for Enterprise Development points on the scorecard it needs to be:

- Made to a Qualifying Enterprise within the company's measured financial period.
- Qualified as an Enterprise and Supplier Development contribution by the Benefit Matrix

Supplier Development

There is 10 points available for Supplier Development of the measured entity and can be obtained by annual contributions towards suppliers as a percentage of their target, which is 2% of NPAT for Supplier Development.

By developing the Hydroponic Farm and the farmers responsible for the management and production phase of this 51% black owned enterprise, the Supplier Development target will be met, and the points earned.

There is 1 bonus point available for creating one or more jobs directly as a result of Supplier Development for the measured entity.

Supplier Development is contributions and support given to qualifying beneficiaries that already forms part of the measured entity's supply chain.

Supplier Development has the potential to alleviate one of the most critical constraints faced by small businesses – market access. As guaranteed contracts are often a key requirement for funding, being part of a Supplier Development Program often unlocks funding opportunities for the beneficiaries.

01



Phase 1: Container for hydroponic system preparation

A shipping container is a highly engineered, modular and mobile vertical production environment custom-built for a wide variety of crops. The use of a modified shipping container ensures optimum conditions for produce to thrive.

02



Phase 2: Growing trays installation

Hydroponic growing system within containerized growing system. A growing tray is considered the physical unit that will house the plants and growing mediums, provide a structure for nutrient solution to flow through, variable leg components, and includes lighting components

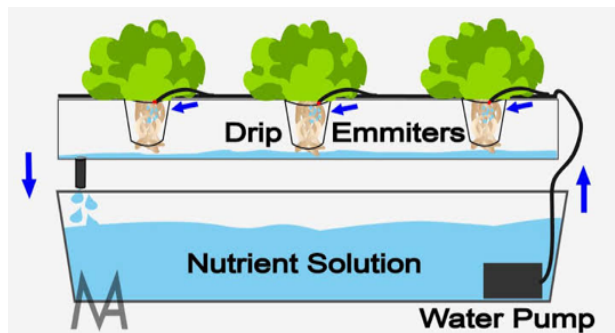
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Phase 3: A lighting system installation

There are three main types of lighting that hydroponic gardeners use to grow their plants. These are Compact Fluorescent Lighting (CFL); High Intensity Discharge (HID), which includes both High Pressure Sodium (HPS) and Metal Halide (MH) bulbs; and Light-Emitting Diode (LED) lights.

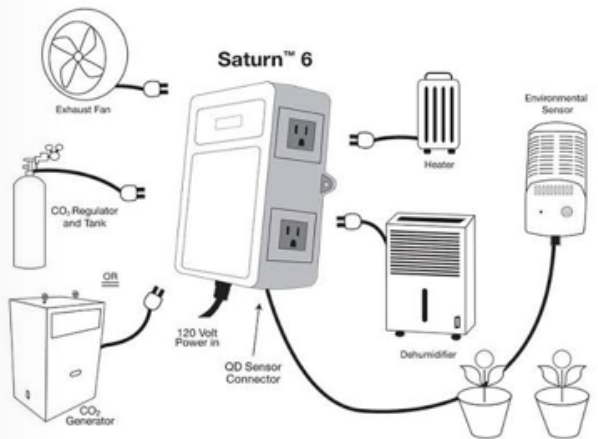
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Phase 4: An irrigation system installation

Hydroponic growing systems grow plants without the use of soil. The substitute for soil is de-ionized water, from reverse osmosis or distillation, with nutrients matched to the needs of plants, to create the nutrient solution necessary.

05



Phase 5: An environmental control system for a hydroponic container installation

Controlled Environment Agriculture (CEA) is the process of growing plants inside a greenhouse or grow room. The controlled environment allows the grower to maintain the proper light, carbon dioxide, temperature, humidity, water, pH levels, and nutrients to produce crops year-round. Smart monitoring tools and software also help to maintain optimal growth conditions inside the container, 365 days a year.

06



Phase 6: Germination of seeds and transferring to grow trays

When you germinate hydroponic seedlings, they need a lot of moisture in order to sprout. Seeds also need warmth (around 70 degrees or more) and bright light to thrive. To get started, it's recommended to use grow mediums specially designed for seed germination. Rockwool cubes are good for this.

07



Phase 7: Harvesting produce

Let's face it, there's nothing more rewarding than being able to pick ripe tomatoes or a bunch of lettuce leaves to create your very own fresh garden salad. Crops can be produced twice as fast in a well-managed hydroponic system. Depending on the used hydroponic system, an up to fourfold harvest yield can be achieved, compared to conventional soil cultivation.

08



Phase 8: Farm-to-table

Nutrient dense, fresh produce is now ready to be served. Through your support, we create jobs and a sustainable income as well as a continuous supply of local, seasonal, safe produce for decades to come.