

**MAKING A DIFFERENCE
ALL TOGETHER BETTER
PROUD OF WHAT WE DO**

2021 HORTUS RSE IMPACT REPORT

INSIGHT INTO OUR WHY



A word from our MD



We are still figuring out so much. Even though Hortus is 14 years old, I feel it's just the beginning of our journey to impact as many lives as we can. There is so much still to learn, implement, and do, but our story is already one of great achievements by our incredible team members here and in their home countries. The sacrifice their partners make should always be remembered. We're very quick to say how hard the people on the RSE scheme work, but we often forget that most of them have families back home they are providing for, and the sacrifices are made by them as well.

The opportunity to work in New Zealand and change people's lives was first realised when I visited the island of Epi in Vanuatu in 2009. 350 people arrived to be interviewed for 30

positions; this was and still remains the hardest day of work I've ever experienced. Informing so many people that they hadn't been selected was heartbreaking. However, this prompted the realisation that Hortus needs to be more, create more, and deliver more to ensure more people can have this opportunity to provide for their families and communities.

The introduction of the RSE scheme has resulted in job creation in the Pacific Islands and Southeast Asia, but also here in regional communities like Marlborough, Hawkes Bay and Bay of Plenty. We have people full-time supporting, training, and caring for our team members on the RSE scheme. Everyone is motivated to ensure we all have the opportunity to achieve our success, and to help others achieve theirs.

This document demonstrates that companies like Hortus can impact thousands of lives by focusing on aligning ourselves with like-minded people, doing what's right, caring about our fellow neighbour, and supporting each other to achieve more.

We owe the success of Hortus to our clients - both the ones we pay a wage to and the ones we invoice. Without either we would not have the business we are all so proud of.

He aha te mea nui o te ao? He tangata he tangata he tangata. *What is the most important thing in our world? It is the people, the people, the people.*

CHEERS, AU



Our why

Our RSE team have goals of improving the lives of their families and communities. At Hortus, we recognise that if we want to help our team members maximise their earnings and the impact they have, we need to understand where the money is going and what it's being used for. Each year, we survey our staff on a variety of topics, both personal and financial, so that we can collate and analyse this data.

Understanding our team members' goals serves several purposes. First, we want all our staff to achieve their version of success, and knowing what that looks like helps. We can offer more specific resources and educational opportunities to the people who want them, ensuring our team are best prepared to take the next step toward their goals once they return home with their earnings. From a business perspective, understanding personal goals offers a positive and tailored management approach to increasing efficiency when working with piece-rate pricing models. Finally, sharing the data we collect serves the greater purpose of helping educate others on the value of the RSE scheme, by providing access to real stories

of achievement. It also allows us to celebrate the success of our team members and all they have done.

New Zealand and the Pacific Islands have a deep, enduring connection. Geographically, culturally, economically, and politically, our corner of the vast Pacific is permanently united and as such, our fates inevitably tied. Although each nation and even each island displays vast differences, we are not that different. Like Kiwis, Pacific Islanders want clean drinking water. They want sturdy, dry houses. They want education and futures for their children. Because most New Zealanders are fortunate enough to take those things for granted, the importance of supporting our Pacific neighbours cannot be understated.

At Hortus, this has always been one of our primary motivators. The RSE scheme was established in 2007 as a means of addressing seasonal labour shortages in the horticultural sector of New Zealand, but it also set an important precedent for tending to our obligation to our Pacific whanau.



The daily reality

Though we often envision the Pacific Islands as a beautiful, problem-free paradise, it is important to understand the reality and daily struggles for the populations of these islands. Our RSE team members come from Fiji, Indonesia, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu. These are all developing nations where clean water, education, and adequate housing are not always guaranteed or common. These nations experience high unemployment rates, low standards of living, and expensive or inaccessible education. A large majority of populations live rurally, often in geographically isolated areas where access to water, healthcare, and other necessities is impeded by a lack of roads and transportation.

The cycle of poverty is deeply entrenched for many Pacific Islanders. To understand this issue, we must look at how it is sustained. In most areas, education is not a guarantee, nor is it government funded. Where children are lucky enough to have geographic access to schooling, quality and funding of the school can often be quite variable and their families might be limited by cost. Financial constraints might mean that a student will leave school prematurely, not attend early years (which usually means they are unable to catch up), or that a parent cannot afford to send all their children to school (which disproportionately impacts girls).

Limited rates of education lead to higher rates of unemployment as the generations grow into adulthood.

Those who do achieve tertiary qualifications often emigrate to other parts of the world where earnings and career prospects are higher, which can create skilled employment gaps in vital sectors such as healthcare. Unskilled workers struggle within a small economy to find employment which can sufficiently support them and their families, which commonly leads to poverty and low standards of living.

Lack of education is also linked to high birth rates and a rising population. As families are increasing in size and at earlier ages, it becomes more difficult to support them financially and provide the children access to education. These children then begin the cycle anew.

Apart from cycles of poverty, daily concerns for many include access to clean drinking water, safe homes that withstand cyclones and tsunamis, as well as government corruption. The Covid-19 pandemic has had disproportionate effects on Pacific Island nations. Their small economies are largely tourism-based, which will take years to rebuild as the world only now begins to reopen. The pandemic has strained healthcare systems (for those who have access) and done lasting damage to the education of the upcoming generation. As Covid spread, many schools were closed with no alternative learning options, and loss of income led families to prioritise daily needs such as food over school fees.



The impact of the RSE scheme

HORTUS RSE IMPACT REPORT

The RSE scheme has provided an avenue to break cycles of poverty, as well as provide key support during the pandemic. Although they must make an incredible sacrifice, both personally and by increasing responsibility for their families left at home, participants are afforded an opportunity to change their lives and the lives of their families. Unlike work they find at home, RSE employment in New Zealand is consistent, reliable, and heavily regulated by NZ employment laws and employee protections. Team members can keep living costs low and maximise the amount of money earned. As they often work on piece-rate pricing models, harder work is rewarded with higher pay. Unlike those who emigrate permanently from their home nation, these team members' remittances are poured directly back into their local economies, helping their community and their country as well as their family.

Currently amid the pandemic and in its wake, remittances from RSE team members are the primary factor in sustaining economies in many Pacific nations. Many team members have chosen to stay in New Zealand for much longer than initially planned to because theirs is the only income in their entire village.

Alongside the demonstrated benefits in New Zealand to the hort/vit industries, local communities, and economy, the benefits provided by the RSE scheme for our Pacific neighbours is undeniable. We believe it is important to show examples of this, which is why we have chosen to share our survey results.

2021 Survey Results

In 2021 we completed our largest, most comprehensive survey to date. Our survey returned 276 responses, which amounted to 79% of our RSE team that were present at the time of survey. As we expand our survey initiative going forward we aim to complete multiple surveys throughout the year, so that we can capture data from our entire RSE team as they come and go across seasons. Many of our staff have been working in New Zealand on the RSE scheme for more than 10 years.

Our distribution of returning staff is as follows:



Number of years coming to New Zealand on the RSE Scheme





Goals

When asked about their reasons for joining the RSE scheme in the first place, as well as long-term goals, responses were largely unified around a desire to help their family and community to improve their lives in various ways.



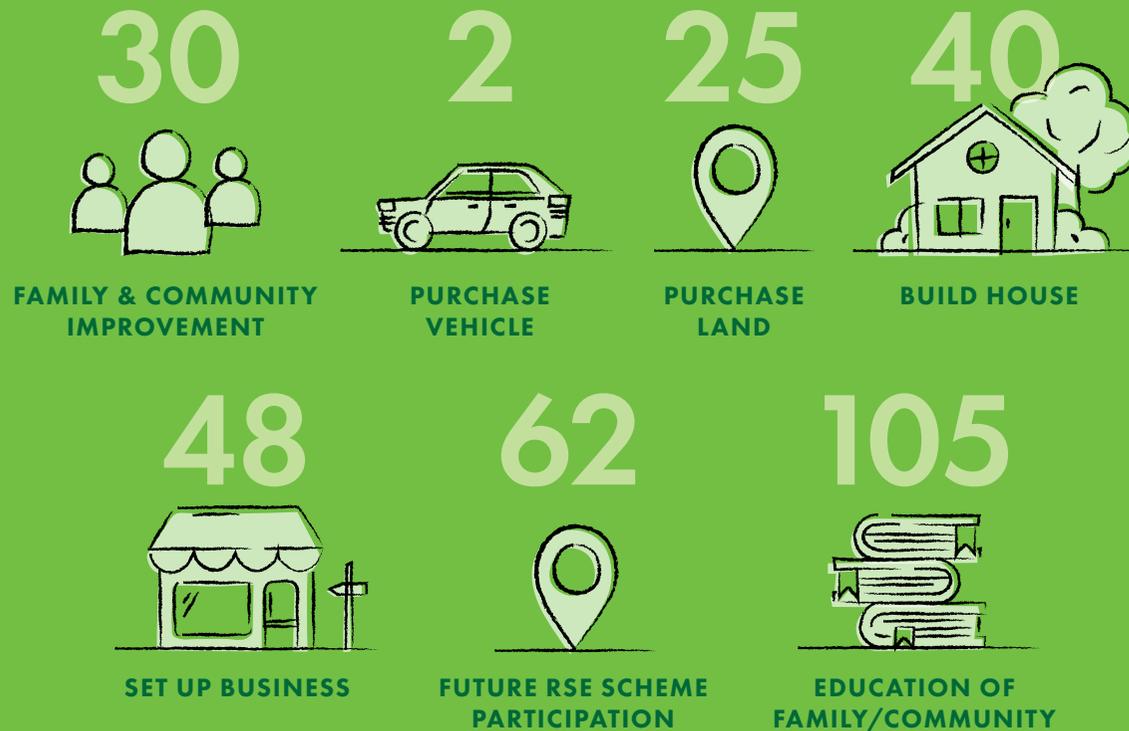
Why did you join the RSE Scheme?



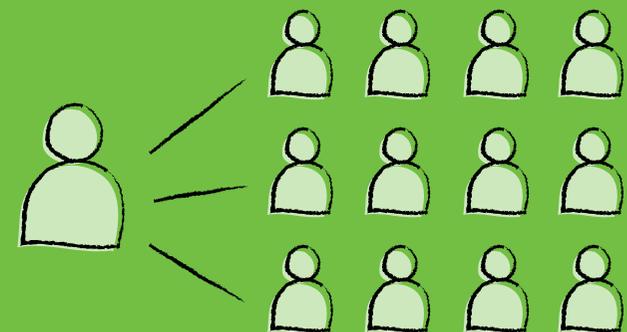
Motivations

What primary goal do you hope to achieve by coming to NZ to work?

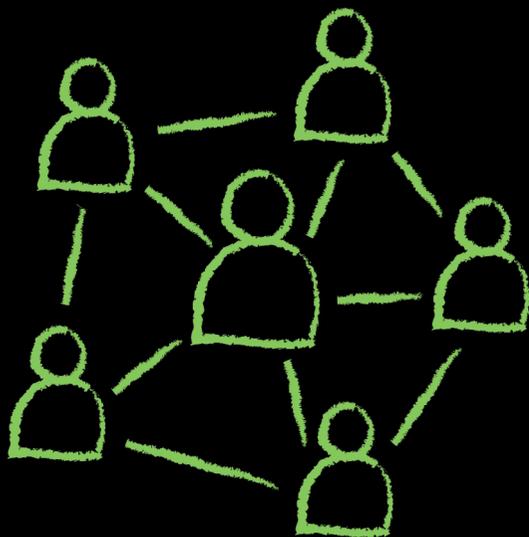
Earnings from the RSE scheme are often used for daily living expenses, but larger one-time purchases are usually a primary motivator for joining the scheme. Team members need funding to buy or build houses or establish solar or water sources, which will improve long-term standard of living. Some team members aim to only earn what they need to solve a certain problem. Others focus on starting a business which can afford their families long-term financial support while enabling them to remain in their home country. For many still, the scheme has proven to provide lucrative and reliable income, which is a viable avenue for prosperity in future generations.



How many people are relying on your money?



ON AVERAGE OUR RSE HAVE 12 PEOPLE DEPENDING ON THEIR EARNINGS.



7,109

Friends and family members in home nations were directly affected by the RSE scheme.

For this statistic we wanted to gain a picture of the impact of our entire annual RSE staff. To do this, we took averages based on the responses to the question on the previous page, “how many people are relying on your money?”. With an average response of just below 12, we extrapolated the data to include our total staff across 2021 which was 597. This gives us a fairly good estimate of the total impact size that Hortus is having in the Pacific.

Money well spent

Each year we love hearing that our team members have achieved their goals. Although 2021 was a challenging year in many ways, a positive result for many who remained in New Zealand amidst closed borders was their ability to earn far more than they would in their regular season. Many of our staff celebrated achievements this year and reached their goals.

Here's what that looks like for their lives back home.



50%
STARTED
A BUSINESS



2,221
KIDS PUT THROUGH
SCHOOLING



1:1
RATIO OF RSE
TO HOUSES
BUILT/BOUGHT



40%
BOUGHT LAND

How has your money been used to support your community in 2021? Select all that apply.

Only 23 of our RSE responded saying that their money did not contribute to the community.



209
CHURCH



93
WATER



76
MEDICAL



7
SCHOOL



53
POWER



3
COMMUNITY HALL

We love to see earnings being shared throughout communities in the Islands. Many of our team members contribute largely to their local churches, which often also act as a local council and community centre, running events and providing resources for the residents.



OUR RSE TEAM EARNED OVER \$15M IN TAKE- HOME PAY





Addressing larger issues

Our RSE staff have aspirations for themselves and their families, but also for their wider communities and nations. They shared with us hopes that with the help of their earnings, their communities at home may be better equipped to address certain issues. We are especially proud of our high staff retention rates because we know that the longer our team members return to New Zealand, the more they can earn, and the more widespread their impact becomes.

What are some problems in your home community that you want to help overcome?

LACK OF POWER SUPPLY



LACK OF CLEAN WATER



TRANSPORT/ROADS



POOR HYGIENE & HEALTH



POOR STANDARD OF LIVING



UNEMPLOYMENT



LACK OF MONEY



CRIMINAL ACTIVITY & CORRUPTION



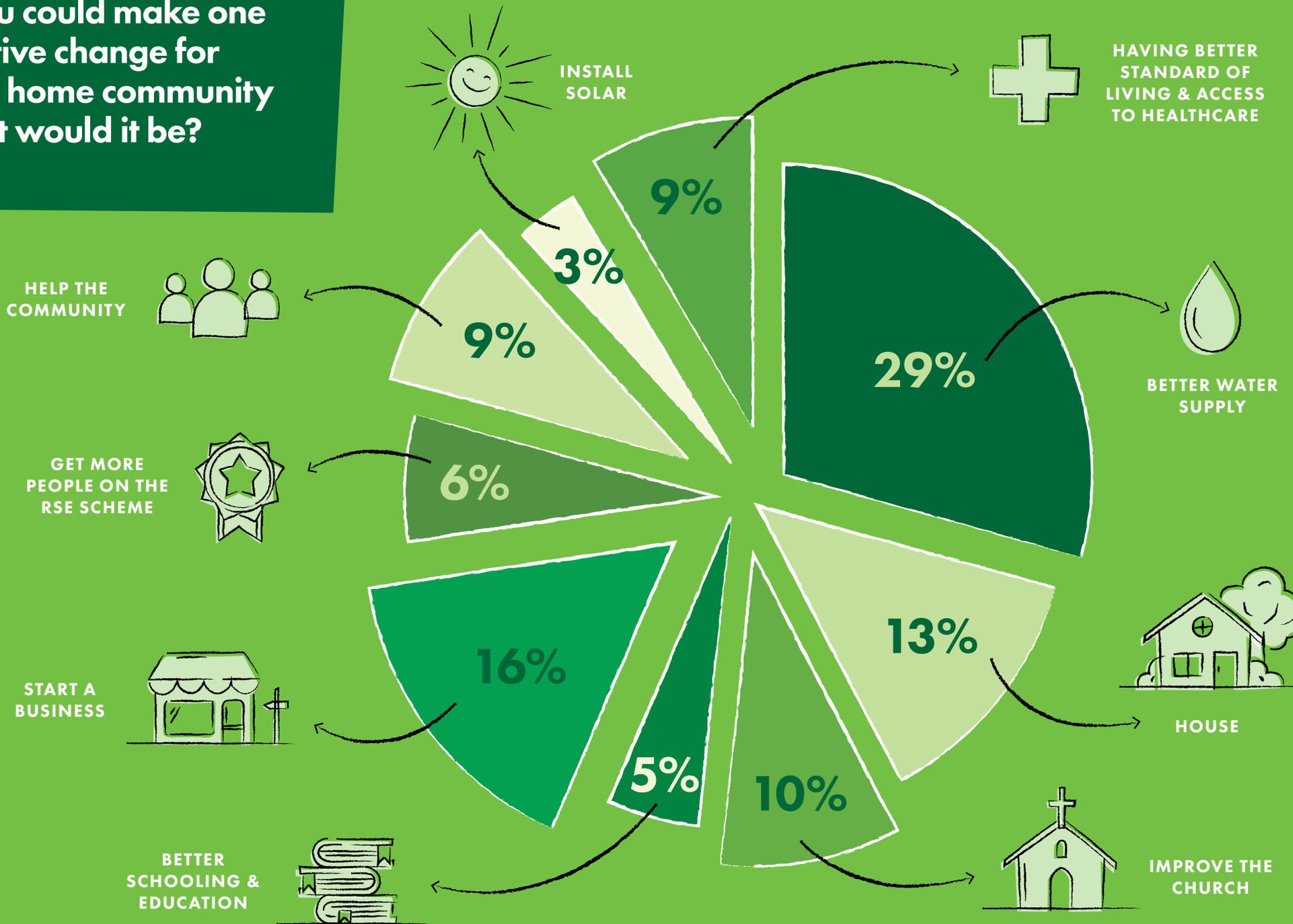
IMPROVE CHURCH OR MOSQUE



LACK OF EDUCATION



If you could make one positive change for your home community what would it be?





Impacts of Covid-19

Remittances from RSE team members surpassed tourism as the primary economic industry in many Pacific Island nations in 2021. This meant that even after repatriation flights became available for our employees, unemployment and financial pressures at home forced them to remain in New Zealand and work. This added yet another layer of motivation for our staff to earn as much as possible. When asked whether Covid-19 has changed things in their home community, 91% of people said yes. 75% of employees surveyed told us that they were sending more money home because of the impacts of Covid-19.

On top of financial strains, Covid-19 has strained our team members' mental health, their relationships with family back home, and their overall happiness. Unprecedented circumstances have forced them to re-evaluate their goals and priorities, and make very tough decisions. We are fortunate that as an essential business able to operate throughout the pandemic, Hortus has been able to provide consistent financial opportunity for all our teams to help reduce their burdens.

Non-financial gains

On top of the many financial ways in which our RSE team members have been able to improve their lives, we are proud of the many other ways in which they have grown. When asked what things they've learnt in New Zealand, we received the expected responses related to on-the-job skills and how to do vineyard work. But we also discovered that many of our employees were eager to take their farm skills and apply them at home. They told us about the various life skills they'd gained, including practical financial skills which would help them make the most of their earnings at home.

These learnings are immensely valuable for improving our team members' lives, and providing the opportunity to pass on their knowledge to their families and communities back home. We offer learning opportunities such as Vakameasina, driver training, Primary ITO, first aid, and leadership training because we know how much they are valued and utilised by our RSE teams.

What things have you learnt in New Zealand?

20%

How to earn & manage money & business skills.

20%

To speak english.

28%

Working and time management skills.

14%

Experiencing different cultures & building friendships.

18%

Better health & hygiene practices.

"Using machinery to make the job easier"

"New skills and ideas for farming"

"Commercial farming"

"Managing time wisely"

"Improve my English"

"How to look after myself"

"Discipline- put all efforts in to be successful"

"How to socialise with people from different countries"

"How to manage rubbish"

"I've learned that time is money! Hard work always pays off! Working together as a team can accomplish more than one can do by himself. And no shortcuts in anything you do, just hard work to get to your goals!"

"How to save money"

"I've learned how to manage my own money and not spend it on unnecessary things"

"How to start a business through the Vakameasina programme"

"Budgeting"

"How to manage money and be independent"

And a little bit of fun

Paramount to our teams' experience while in New Zealand, we want them to be happy and enjoy their time here. Through our survey we learned that the thing that everyone loves the most about working in New Zealand is, of course, the people; both the people of New Zealand as well as the Pacific neighbours they are working alongside every day. People also love getting outside and enjoying the beauty of New Zealand.



What do you enjoy most about living and working in New Zealand?

"The connections and bonds between the bosses and the workers"

"Socialising like we are family"

"Enjoying my job with many friends"

"I enjoy interacting with new people from other Pacific neighbours, learning their customs and their cultures"

"Fishing, hiking while working in New Zealand"

"People, land, and the culture is amazing"

"Beautiful, clean, safe"

"Activities in village- string band, football & volleyball"



40

Travelling in a beautiful country & staying in nice places



25

Learning new skills.



40

Activities available, e.g. fishing, church, sports



80

Socialising with new friends & experiencing new cultures



210

Having employment & earning a good income

A story from one of our own

Mosese joined Hortus in 2021 for the first time due to covid-related worker shortages. This winter he spent 9 weeks in Christchurch with Siasoi, another Hortus employee who was unexpectedly diagnosed with cancer and needed treatment. During that time Mosese cared for and supported Siasoi every day, an incredible demonstration of the bond of our Hortus whanau.



“

Well this is my little family and this is our house. It's just a house, there's no room inside. I spent most of my money getting my wife and son to go to school so that one day my wife could help me build our family. Back in Tonga there's not much work, so that's why I never stop coming here for work and it's been 13 years coming here as an RSE worker. I can see lots of work here that my wife can do to help me build our family and the main thing would be to let my kid study here.

Hortus, I just feel like we know each other for a long time cause you guys treat us like family here and you manage to help us without knowing us. The money that I send home is not for my family only, because I stay together with my mom and dad, my two siblings that

are not married, my aunty and her daughter. I have to work to provide for them as we all stay together in one land, but different houses.

In 5 years time: first of all I want to educate my kids here and help my family back in Tonga try to build a little shop to let my mom and dad run. I want to help them in every day needs and try building my family as well.

Yes of course I do love it here and will work for Hortus in many years to come. Thank you so much for all you have done for me and Siasoi we thank you from the bottom of our hearts we couldn't done it without you.

– Mosese, from Tonga

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Long-term value

At Hortus we believe wholeheartedly in the RSE scheme and the value that it adds, both to our team members' lives and communities, as well as lives and communities here in New Zealand. We believe in transparency and fairness, so we are constantly looking for ways to verify that the work we do remains valuable, and that we are doing right by our employees. Surveying our staff and sharing the results are some of the many ways in which we continue to do this. By tracking our impact and understanding our people's motivations, we can set more precise goals and be better equipped to achieve them. We are thrilled to see the many ways in which our RSE team succeeds and look forward to seeing these successes tracked in future surveys.