





ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2023

#WECARESOWEACT







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INTRODUCTION BY THE CEO

"IF YOU WANT TO GO FAST, TO GO ALONE. IF YOU WANT TO GO FAR, GO TOGETHER."

In our sustainability journey, this African proverb is our mantra. We love to go fast, have rapid impact and see direct results from our projects. However, if we want to change the world for the better, we must collaborate within the horticultural sector.

That is what we are currently investing in by preparing for the implementation of the CSRD¹ guidelines and the steps we take to realize the 2025 ambitions of the FSl². We do it together with our industry peers and Plantum. This process requires time, effort, and alignment. It may sometimes lead to a perceived slowdown of our activities in the short run. However, in the long term this approach will take us where we want to be; in a market where transparency, accountability and sustainable operations are the norm. In this time of transition, the projects that we initiate within Van Zanten Breeding are set up and monitored with the new guidelines in mind.

Looking back at 2023, I am proud to see that many of our sustainability actions initiated in 2022 were continued, evaluated, and improved. We initiated new activities and improvements that were inspired by our sustainability manifesto, "we care, so we act". All actions result from the passion that we share and want to pass on to each other, our customers, and the rest of the world. They reflect our desire to make sustainable improvements every day. Thank you for working with us on continuously improving our operations.

Maarten Goos
CEO of Van Zanten Breeding



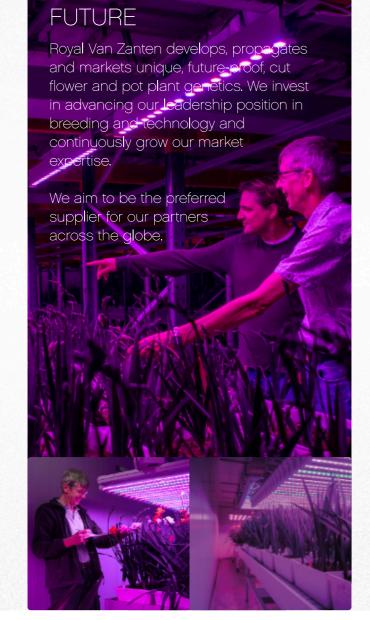
OUR PURPOSE AND VISION

PASSING ON PASSION

Passion grows when you pass it on; that is what we believe in. We make our passion visible in our flowers and plants, and tangible in the way we work. We breed and propagate beautiful, inspiring, and sustainable varieties. We do this with a great deal of pleasure.

Our flowers and plants are the manifestation of this passion and purpose.





OUR VIEW OF THE WORLD

FLOWERS AND PLANTS ADD SOMETHING SPECIAL TO EVERY OCCASION.

This is what we wish to achieve in everything we do. We inspire the world with beautiful flowers and plants, honest and reliable ways of doing business, and proven quality. In this way we enhance our working pleasure and pass it on to others. This is how we serve our growers and partners in the best way possible.

We strive for a leading position in the market for flowers and plants. This is vital for our success together, now and in the future.

We have every reason to invest in our people, their knowledge, in the renewal of varieties, in technology, and in our environment. With a great deal of pleasure, we work towards achieving sustainable and profitable growth and contribute to the chain in this way.

OUR DNA











Our passion and pleasure are the most important ingredients in our products and essential for our relationships with partners and customers. By passing on our passion through our products and cooperation, we contribute towards sustainable growth and a vibrant sector.

In 1901 we were awarded the 'royal' trademark. Our royal DNA stands for customer focus. After all, the customer is king. Satisfied customers are what we strive for, and we do this with pleasure, together with the people around us. All the players in our value chain need to be satisfied.

Every variety we introduce to the market deserves a top position in its category.

Excellent ornamental value and a strong product are the highest priorities for our portfolio. We invest in valuable characteristics for each of our varieties and are prepared to go the extra mile to achieve this. Our quality is visible in our varieties and in the way we work together.

Every variety we introduce to the market deserves a top position in its category.

Excellent ornamental value and a strong product are

Better by the day.

By making small sustainable improvements, we achieve big results for our customers and our company.

We value knowledge and its development.

Royal Van Zanten is alive with vigour and entre-preneurship. We share our ambition, products and passion with growers and partners worldwide. We strive to give all our varieties a prominent place in the market.

VAN ZANTEN BREEDING AT A GLANCE





SUSTAINABLE DEVELOPMENT GOALS

The Royal Van Zanten organization is part of a system of people, values, organizations around us and nature. We want to care for the system, improve our contribution and reduce our impact on the environment.

In our daily operations and with our sustainability objectives, we contribute to the Sustainable Development Goals as defined by the United Nations.



GOOD HEALTH & WELLBEEING

"A pleasant working environment for all. Monitor the long-term health and wellbeing of 1000 global employees."

Royal Van Zanten



CLEAN WATER AND SANITATION

"Make clean drinking water available for people in the vicinity of our establishments. Optimise water usage. "

Royal Van Zanten



DECENT WORK AND ECONOMIC GROWTH

"Treat all employees equally.
Invest in education and training
Assure sustainable growth."

Royal Van Zanten



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RESPONSIBLE CONSUMPTION AND PRODUCTION

"Breed varieties for sustainable production. Reduce and improve the impact of our operations."

Royal Van Zanten



13

CLIMATE ACTION

"Activate our employees and work together to reducand compensate CO₂ emissions."

Royal Van Zanten



17

PARTNERSHIPS FOR THE GOALS

"Customers are partners.

We work together towards futureproof production and logistics."

Royal Van Zanten

SUSTAINABILITY AT ROYAL VAN ZANTEN

"We care, so we act. We improve every day in order to make our business more sustainable. We create equal opportunities for growth and strive for excellence. We respect each other and Mother Earth. We bear responsibility for our future and that of future generations."

AMBITIONS

Our ambition is to continue passing on our passion in the future. That is our motivation to care for the environment and to care for people.

Royal Van Zanten employees around the world have agreed to:

- Increase our positive contribution, reduce environmental impact.
- Ensure equal opportunities for everyone.
- Demonstrate appreciation for each other.
- Look beyond ourselves and our individual employment.
- Nurture healthy results, outstanding quality and an innovative mindset.
- Work together with partners for a beautiful tomorrow.



BREEDING FOR SUSTAINABILITY

BREEDING FOR BIODIVERSITY

We all benefit from a healthy and biodiverse ecosystem. We work with care and respect for nature in everything we do. After all, the craft of plant breeding builds on characteristics that originate from wild species. As the life of plants is closely linked to what happens in the soil, we want to deepen our understanding of the soil and integrate that into our breeding and activities to develop varieties that support biodiversity and a healthy ecosystem.

BREEDING FOR LOW INPUTS AND EFFICIENT USE OF ENERGY

Efficiency and sustainability go hand in hand in our breeding focus. Our growers require varieties that grow with low energy inputs and are stress tolerant. We breed for improved salt, heat and drought tolerance, increased yield and quality, and zero need for chemicals.

SUSTAINABLE CHARACTERISTICS

Some of our crops, like our alstroemeria, already need little energy. We also invest in reduced energy requirements for other crops. We identify and develop varieties that are suitable for transport by sea, to make a shift to lower impact transport.

We have intensified the selection and breeding of resistant varieties against soilborne diseases, since these minimize the need for soil disinfection, a process that requires chemicals or heat treatment.

DATA DRIVEN BREEDING

Our selection process uses large data sets that help find the best genetic traits for sustainable growing. Data driven breeding shortens our development cycles and improves targeted product development. Heightened understanding and use of data will allow us to introduce more sustainable varieties faster.

SUSTAINABILITY OBJECTIVES

GOALS FOR CONTINUOUS IMPROVEMENT

Sustainability Objectives 2025 - 2050

environment	environment	environment	environment	social	social	social	environment	social	environment	environment	environment	environment
TRANSITION TO GREEN ENERGY	CONTRIBUTE TO BIODIVERSITY	CLIMATE ACTION	SUPPORT SUSTAINABLE PARTNERS	MEASURE AND IMPROVE WORKING CONDITIONS	CLEAN WATER AND SANITATION	CSR PROJECTS	SUSTAINABILITY CERTIFICATIONS	REDUCE LIVING WAGE GAP	RECYCLING	WATER MANAGEMENT	REDUCE CO₂	REDUCE CHEMICALS
\mathcal{C}	\sim	\mathcal{C}	\sim	\odot	\circ	2024	2025	2025	2030	2030	2040	2050
Operations in the Netherlands will use 100% green energy. All production and trials will use renewable energy.	Support wetlands protection, bee-friendly initiatives.	Contribute to reforestation plant 2 Ha per year.	Work with transport partners that use sustainable fuels and renewable and biodegradable packaging. Select lowcarbon substrate suppliers.	Continue measure- ments and yearly improvements for employee development and training, employee turnover, work satisfac- tion, salaries, benefits, gender equality factors.	Provide water pumps to 2 communities per year.	2024 – Set and activate a global budget to support communities and the environment.	All Royal Van Zanten locations will be fully MPS certified by 2025 (GAP, Social, and CO ₂).	One or more Royal Van Zanten products will be sold in accordance with FSI living wage standards.	100% of paper and other recyclable materials will be recycled by 2030. Production and trials will be operated with recyclable supplies.	Circular water system. We will measure water usage, reduce and recycle.	Climate neutral operations. We will continue reducing our CO ₂ emissions with > 5% per year until 2040.	100% biological production - 30% by 2025 Leverage our genetic resources and develop varieties with natural protection against diseases and stress factors

"By shifting the focus in our breeding activities, we will reduce our own impact and contribute to a reduced ecological footprint of the entire value chain"

Joost Kos Director Breeding & Development Royal Van Zanten



ENVIRONMENT

WE CARE, SO WE ACT. WE AIM TO INCREASE OUR POSITIVE CONTRIBUTION AND REDUCE OUR ENVIRONMENTAL IMPACT.

Carbon footprint

Using the MPS HortiFootprint Calculator, we have determined our CO₂ footprint for our locations in Uganda and the Netherlands. We aim to reduce our CO₂ footprint by 5% yoy. The calculations provide insights and direction for our focus. We have defined a detailed plan of action for our site in Uganda and will do the same for our Dutch sites in 2024. In 2024, we will make the calculations and a follow-up plan for our South African branch.

Reducing chemicals

We continued to lower our use of chemicals by changing to biological crop protection, soil improvement methods, and through our focus on disease resistance in breeding. Our location in Uganda is MPS GAP certified, and in the Netherlands we have achieved MPS A certification. MPS is used as a monitoring tool for more sustainable operations. Our first focus is to stop using red and orange chemicals and replace them with biological or alternative solutions. This is an ongoing process that started in 2023 and will continue in 2024.

New varieties

We are introducing new varieties that help our customers and partners in the value chain to lower their footprint, requiring less water, energy, and chemicals.

Reducing energy consumption

For our production locations and offices, we have made a start in reducing energy consumption. On our Uganda farms we use energy from renewable sources only. In our Dutch organization we have started trials with Voltiris to research the possibilities of generating electricity in the greenhouses. We are researching opportunities to make further improvements at all our locations.

Partners

Our partners are indispensable in our sustainability journey. We partner with Water IQ to improve water efficiency and reduce pollution. Voltiris is already a partner in research, and with our partners in CropXR we are investing in the development of technology and methods to generate new crop varieties that are better adjusted to climate change and less dependent on harmful agricultural interventions.

Planting trees

In 2022, two hectares of indigenous trees were planted at our Mukono farm and around our facilities in South-Africa. Unfortunately, we had to conclude that many trees died. In 2023, we evaluated the project to discover how we could improve long-term results and contribute to healthy forests. We hope to be able to plant 4 hectares of trees with improved methods in 2024.

10 ACTIONS HIGHLIGHTS IN OUR SUSTAINABLE DEVELOPMENT.

ACTION 1 DEVELOPMENT OF ROBUST CHRYSANTHEMUMS WITH CROPXR

CropXR is dedicated to developing more resilient crops through innovative, 'smart' breeding. In addition to a solid foundation of plant biology, agricultural sciences, and plant breeding, the institute offers an integrated layer of experimental research, artificial intelligence, and computational modelling.

The goal is to develop technology and methods to generate new crop varieties that are better adjusted to climate change and less dependent on harmful agricultural interventions. It is our goal to develop robust chrysanthemums in collaboration with our CROP XR partners.

ACTION 2 SEAPROOF® FOR **CHRYSANTHEMUMS**

In answer to the developing market for chrysanthemums from Colombia. East Africa and Asia. we want to ship more sustainably by using ocean shipping containers.

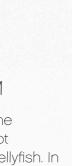
In 2023 we started testing all our genetic breeds through our sea container protocol. It identifies how well each variety can be shipped by sea. Seaproof® varieties retain their high quality after four weeks of shipping by sea.



ACTION 3 JELLYFISH POT CHRYSANTHEMUM

Varieties that are compact and can

We expect to eliminate preventive spraying with Daconil for this variety.



In 2023 we prepared for the introduction of our new pot chrysanthemum variety, Jellyfish. In 2024 it will be introduced in five colors. When it comes to our variety breeding, we make sustainable growing a priority. For Jellyfish, this has resulted in:

be grown with little to no growth regulators.

Resistance to known rust physios.

Above average shelf-life, providing longer enjoyment to consumers.

ACTION 4 TRIAL WITH VOLTIRIS SPECTRAL LIGHT FILTERS

We conducted a trial in alstroemeria in partnership with Voltiris, a startup in green energy production in greenhouses.

Their spectral light filters can help to make double use of sunlight in the greenhouse.

The spectral components of natural light that are needed for growing are filtered out and the remaining light is used to generate electricity.

The trial has provided insights that will help us in our transition to green energy.

ACTION 5 FIRST ANNUAL ESG RFPORT

Our actions today, make the difference tomorrow.

In 2023, we published our first annual ESG report to account for our sustainability actions. The report is developed to increase transparency on what we do, how we do it and why we do it.

Our objectives are clear and will keep us on track every day to contribute to a better future, for now and for future generations.







3





SUSTAINABILITY WITH

AN EYE TO THE FUTURE

With the new growing conditions,

we have even better control over

expected to be required per plant

increase in the number of plants in

production. "This is in line with our

with less energy consumption and

strategy for a sustainable future

plant quality. Less energy is

produced, partly due to an







10 ACTIONS HIGHLIGHTS IN OUR SUSTAINABLE DEVELOPMENT.

ACTION 6 A TRANSITION TO LED LIGHTING

We have replaced all fluorescent lighting in our canteen, offices and changing rooms with LED lighting. We will continue to replace the lights in our laboratories, starting with the grafting room and medium kitchen.

In order to change to LED in our growing rooms as well, we are in the process of testing various LED configurations to find the right spectrum and measurements for our trolleys.

ACTION 7 SUSTAINABLE PACKAGING SOLUTION IN ALSTROEMERIA

To reduce our impact, we have replaced the plastic crates that are used to transport our alstroemeria plants with more compact, new cardboard boxes. This action reduces our plastic waste and helps to reduce the airfreight space by 20% per unit during transport.



ACTION 8 RECYCLING SLIDING TRAYS

After we moved the rooting of chrysanthemum to Deliflor Hoogveld in 2023, we were left with a surplus of 135,000 sliding trays.

We worked with Van Krimpen to recycle them into 5 million pots that are used for flowering trials and plant breeding.

ACTION 9 A MORE SUSTAINABLE SUPPLY CHAIN FOR LIMONIUM STATICE AND ALSTROEMERIA

We are shortening and optimizing our supply chains by hardening off our tissue cultures locally when possible. Currently we can already supply markets in East Africa, USA, Japan and Colombia partly with limonium, statice and alstroemeria that are hardened locally.

This helps to reduce energy usage in the Netherlands, airfreight volumes and transport. It also improves the quality of our plants, which is a great benefit for customers.

ACTION 10 MEET THE GROWER

On our inspiration platform, 'What's B(I)ooming Today', we offer information about growing methods, the production process and the grower's role in the value chain. It is our way of giving a voice to the people that are important to us and inspire others with their experience.

The 'meet the grower' articles address important issues like sustainability, social security and quality. In 2023, we included international growers.

















Reduce CO₂





SOCIAL

We care, so we act. We contribute to a rewarding, healthy, safe and clean environment for people.

We feel and share the responsibility to create and foster a rewarding, safe and clean environment for our employees, customers, suppliers, and other stakeholders. Royal Van Zanten has been a company with a strong social orientation for more than 160 years. Our employees are personally involved in the business and are part of the worldwide Royal Van Zanten family. We all share the responsibility for each other's wellbeing. Royal Van Zanten nurtures its social culture and makes visible steps for improvement.

Training and development

Royal Van Zanten invests in the knowledge and career development of its employees and has done so for years. Over 2% of the wage bill is spent on training and education. In 2023, more than 60% of the employees took part in a training or a course. We continue to enable, stimulate and facilitate horizontal and vertical growth opportunities.

Gender equality and equal pay

Royal Van Zanten qualifies as an equal opportunity employer with a solid international equal pay policy. We have joined the Gender Community of Practice initiative arising from the Ornamental Horticulture Covenant. In 2022, we successfully completed a company-wide gender baseline assessment. This served as the basis for a detailed action plan that was deployed in '23 and is being implemented over the course of 2023 - 2024. The key objectives are to:

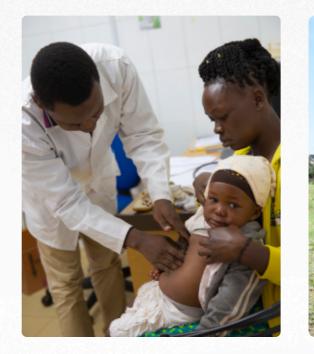
A) embed the strategic gender policy in the business operations, B) further identify and mitigate gender risks in the supply chain, and C) further specify gender equal communication both internally and externally.

A healthy work-life balance

We have daycare facilities at several international locations to support labour participation. Our employment conditions around the world also provide for leave arrangements that are usually above the minimum prescribed by

Employee satisfaction

In 2023, we conducted our annual global employee survey in which participation increased from 73% to 75%. To reach even more colleagues, we expanded the survey to include colleagues without business email addresses. This resulted in an additional 500 participants. It increased the survey participation to 80,3% setting a new baseline for future reference.







HEALTH & SAFETY

Royal Van Zanten provides a healthy and safe work environment and aims to support employees in improving or maintaining personal health. Health and safety are fully integrated in every day's work.

RVZ medical clinics in Uganda.

On our farms in Uganda, we have our own medical clinics. These are not only accessible for our employees, but also for people living in the direct surrounding who can reach the clinics. In our clinics. we provide basic health care as well as education.

Medical prevention

We offer all employees in the Netherlands a voluntary medical examination every 2 years and free access to a company physiotherapist. A workplace examination is a standard part of the onboarding process. At our facilities in South Africa, we offer employees the opportunity to consult a qualified physician at work on a regular basis. Furthermore, all our locations worldwide have

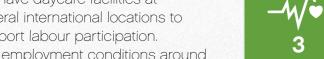
emergency response teams with qualified first aiders so that adequate first aid can be provided should the need arise.

Safety

Safety is the backbone of all our activities. The Dutch sites are all certified for safety and have 0% deficiencies in safety structures and systems. The international sites also have well-implemented safety programs. To maintain our high standards of safety, all sites have prevention officers. They identify potential safety risks within our daily operations and take action to resolve and finalize them.

Ethical behavior

We aim to provide a working environment free of undesirable behavior, where laws and regulations are always complied with and where human rights are respected. Our Code of Conduct is detailed and followed always. Our reporting system Speak-Up let's employees report abuse or misconduct anonymously.



local governments.

GOVERNANCE

STEERING GROUP

Sustainability is managed from the heart of Royal Van Zanten, our people. Royal Van Zanten focusses on sustainability in all areas where we are active. Our sustainability projects are overseen by Royal Van Zanten employees from a diversity of disciplines that work together in our sustainability steering group:

Bert Koeze - Area Export Manager Royal Van Zanten - Chairman sustainability steering group

Maarten Goos - CEO

Martijn Swinkels - Director production and logistics

Karel Jacobs - HR Director

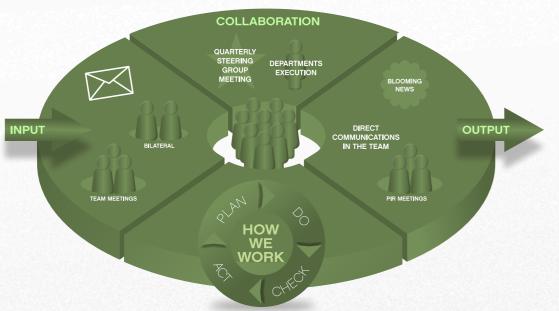
Rob van der Helm – Manager Marketing & Business Development

Pieter Huys - Finance Lead Royal Van Zanten
Uganda

The steering group meets every quarter

EMPLOYEE ENGAGEMENT

- The steering group is visible and accessible to all employees, making it easy to contact the group and provide suggestions and feedback. All employees can email their suggestions and feedback to sustainability@royalvanzanten.com
- After the quarterly sustainability working group meeting, we report on the meeting and our decisions via our employee magazine Blooming News and in the 'Van Zanten Insights' sessions.
- Our steering group members come from different departments in the company, making them visible and easy to reach for all employees.



OPPORTUNITIES FOR IMPROVEMENT

The sustainability steering group team reflects a diversity in specialties and departments, but lacks gender and cultural diversity. Gender diversity is part of our gender equality initiative (chapter 8 – social). Following our Gender Baseline
Assessment, we developed a plan of action that is being rolled out. It is part of the plan to make all teams within Royal Van Zanten more gender diverse, including the sustainability steering group.

Royal Van Zanten aims to further improve employee engagement. We want sustainability projects to become 'lunch-table' topics that employees feel engaged with and want to contribute to.

HOW WE OVERSEE SUSTAINABILITY

The sustainability steering group oversees sustainability projects and works according to the PDCA Cycle.



PLAN

Goals and frameworks are defined by the steering group based on our vision and strategy, input from employees and customers. Every suggestion is evaluated in our quarterly steering group meetings, and when an idea is approved, plans are made for execution. Every suggestion is always followed up, even if the steering group decides that it does not match sustainability plans or goals.

DO

When ideas are accepted, a project plan for execution is made. In all projects, we include measurability where possible. If measurement is not (yet) possible, a project is developed to make it possible. All projects are executed within the organization. The steering committee manages the execution and the results.

CHECK

In our quarterly meetings, the steering committee evaluates projects and results and decides on follow-up projects, changes, and improvements. We always work with the people involved in the execution to see what can be improved, prolonged, or made standard practice.

Goals that have been defined in our sustainability strategy are checked and updated in every quarterly meeting.

ACT

We report on our findings in quarterly meetings to all staff via our employee magazine, Blooming News. Projects that are part of our daily operations are reported in our quarterly staff meetings (Van Zanten Insights) when applicable or in department or team meetings. Our employees are updated on the sustainability strategy in the quarterly 'Van Zanten Insights' meetings by sustainability Chairman Bert Koeze. After evaluation of projects, they are either implemented in our standard operations, prolonged as a project, or finalized.

PARTNERSHIPS AND CERTIFICATIONS

ROYAL VAN ZANTEN works with other companies in the value chain to improve our business results and to realise more impact in our sustainability ambitions.

In 2023, we started a collaboration with We have taken the first three steps Deliflor for our Chrysanthemum rooting activities after closing our facilities in Valkenburg. Deliflor works in vertical layers, uses closed cells with dehydrated air and insect screens. It adds up to a significant sustainability improvement in our operations.

In collaboration with over 20 companies from the industry, we have taken the first steps on our way to sustainability reporting that is in line with the CSRD directive determined by the European Union, CSRD is a European directive for annual sustainability reporting and will replace our current ESG report in the future. Starting in 2025, Royal Van Zanten will comply with the CSRD standard for sustainability reporting. The consortium has defined 5 steps towards CSRD reporting.

and the set priorities are in line with our current ESG report. In future reports we will start reporting on obligatory subtopics.

We are active participants in industry collaborations such as CSRD, FSI, MPS and HortiPEF, to help the entire sector become more transparent and to advance and grow more sustainably.

We work in partnership with a Colombian producer and a USbased retailer for our newly introduced flower, Astronova, We also have an extended partnership with two Dutch pot plant growers for the production, sales and marketing of Deep Purple Celosia.

TOPICS

LINK TO

MPLEMENTATIO

REPORTING

Check our website for more information about our actions and progress.





The MPS Group supports horticultural entrepreneurs worldwide in their efforts to operate more sustainably.

Royal Van Zanten uses MPS (Environment Project Ornamentals) frameworks to measure our progress: MPS ABC. MPS GAP and MPS SQ (socially qualified). In 2023, our colleagues in the Netherlands and South Africa prepared for audits that will take place in 2024. In the Netherlands, the company is already MPS A certified and aims to become MPS GAP and SQ certified. In South Africa, our lab aims for MPS ABC.

Our preparations in both countries have already impacted positively on our sustainability goals. We separate waste better and recycle more. We use our inputs more efficiently and have realized better insights into our usage. If we succeed, this will be a major step in realising our certification goals for 2025. Following this trajectory, we will start dialogues with our suppliers to inspire them to take similar actions.



Sustainability is embedded in Royal Van Zanten's DNA. To measure progress, we use existing frameworks. As a member of FSI, we are committed to the FSI goals on sustainable production, CO₂, transparent reporting, etc. FSI developed a "basket of standards" on the basis of which clients or other stakeholders can compare the progress of other organizations in the field of sustainable production.

More information on FSI: fsi2025.com

