



Annual Report 2024



CONNECT TO GROW

Flowers give colour to life, offering joy, comfort and hope.

Plants give necessary green oxygen to our living and working environment.

For over a hundred years, Royal FloraHolland has fulfilled the central position in this chain of green happiness. As a cooperative of growers, we have grown in those years to become the largest international B2B floriculture platform. Together, we strive for the best quality fresh flowers and plants at an optimal price.

And meanwhile, we promote sustainability in the floriculture chain: from breeder and grower to trade, retail and retailer. More than ever, we are driven by healthy products and responsible production methods.

Anno 2024, we bring together supply and demand of a wide variety of flowers and plants on a modern logistics and digital platform. In this way, we efficiently join forces and support the entrepreneurial strength of growers and buyers.



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Royal FloraHolland

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This is Royal FloraHolland

One Association – One Joint Company

Royal FloraHolland is a cooperative - an association of growers operating as a single joint company. Average approximately 100,000 transactions every day and with an annual product turnover exceeding 5 billion euros, Royal FloraHolland is the leading international B2B floriculture platform. We unite the selling power of growers and offer them complementary services. We bring buyers and growers together, and facilitate transactions, financial settlement and logistics. In doing so, we make a diverse range of 11,489 flower varieties and 11,958 plant varieties available to the market.

Some 2,914 employees work across our physical hubs at four locations in the Netherlands: Aalsmeer, Naaldwijk, Rijnsburg, and Eelde. Additionally, our subsidiaries employ around 469 people, and we actively participate in Plantion and Veiling Rhein-Maas. Moet zijn: In the Netherlands and abroad, 4,446 growers and 2,304 buyers utilise our services.

The cooperative

For over a century, growers have been joining forces. The cooperative's objective has remained unchanged: to ensure optimal pricing for flowers and plants while minimising supply chain costs for both growers and buyers. To achieve this, we operate a digital and logistics platform offering services in logistics processing, financial settlement and deal-making.

We support growers and buyers in conducting business in an ever-evolving global market. With members from Europe, Africa and South America, alongside buyers from numerous countries, we are pioneers in the international floriculture sector. Our collective strength delivers significant benefits to growers. Members are represented by an elected members' council, and they actively participate in policy discussions through members' sessions, inspiration meetings, product committees and other forums. This ensures that decisions prioritise the collective interests of our members.

The power of the collective

- Together, we are stronger in the market due to the vast range available to all buyers
- Together, we connect supply with demand and reach a wider pool of buyers
- Together, we enhance supply chain efficiency and achieve economies of scale
- Together, growers and buyers benefit from secure processing of transactions
- Together, we pool and share knowledge, maintaining the Netherlands' position as a global leader in the floriculture sector
- Together, with other floriculture organisations, we advocate for industry interests
- Together, we have a voice
- Together, we embrace sustainability to prepare for the future



Key figures 2024

	Financial	Sustainability (ESG)	Operational
Product revenue (in € mln) +5%	5,346 5,111		
Operating income (in € mln) +7%	485 455		
Profit after tax (in € mln) > +100%	6 -17		
Solvency % +1%-point	26% 25%		
Number of employees -5%	3,383 3,556		
Engagement* =	7.6 7.6		
FSI compliant certification % product sales +3%-point	73% 70%		
Greenhouse gas emissions Scope 1 and 2 (in tons of CO2 equivalents) -16%	16,749 19,825		
Transactions (in thousands) 0%	43,042 42,963		
Completed trolleys (in millions) -2%	5.6 5.7		
Transactions delivered within agreed end time -1%-point	96% 97%		
Flowers and plants varieties traded +1%	23,447 23,233		

* Engagement: the involvement of employees in the organization. This concerns the figures of Royal FloraHolland excluding the participations.

How we create value

This value creation model shows how Royal FloraHolland adds value with its resources and services for growers, buyers, employees, partners in the floriculture sector and society. In our value creation model, we have provided focus and coherence, also in terms of SDGs, in line with our dual materiality analysis.

We contribute to an innovative, sustainable floriculture sector with long-term prospects. We do this by offering services that make it easier for growers and buyers to trade, by providing appropriate logistics solutions and services that help growers and buyers do smart business.

Our assets

- The cooperative with our members
- Our RFH platform: digital and logistical
- Our financial capital
- Our people
- Our natural capital (raw materials)
- Dialogue with partners and stakeholders

Our business model & strategy

Connect to grow

Our goal/mission
We connect members, growers, buyers and players in the floriculture sector. We create value for sustainable growth and success and strive for an optimal market price with the lowest possible chain costs.

Our goals are:

- To build the largest international B2B platform in the floriculture sector.
- Being and remaining a financially sound cooperative.

Our strategy
We want our cooperative and business strategy to make us the global B2B platform for the floriculture sector. This consists of our digital platform and our logistics platform, which are closely linked.

Our services are aimed at:

- Simplified dealmaking
- Customised logistics
- Smart business

Impact

- Strong co-operative**
- Reliable, transparent business operations**
- Efficient logistics network**
- Financial performance**
- Enthusiastic and energetic people**
- Impact on the environment**
- Together with our partners in the floriculture chain**

UN Sustainable Development Goals

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

17 PARTNERSHIPS FOR THE GOALS

Output – realisation 2024

Product turnover (millions)	5,346	Transactions delivered within agreed deadline	96.2%
Number of transactions (x K)	43,042	Customer complaints logistics: % of logistics transactions	0.17%
Diversity of supply (# species)	23,447	Result after tax (millions)	6
Payments to growers guaranteed %	100%	Risk-bearing capital %	51.8%
Transactions settled via Floriday %	92%	Solvency %	26.0%
Member satisfaction (= relationship score)	48	Operating income (millions)	485
Up time systems Auctioning	99.7%	Employee commitment	7.6
Up time systems Floriday	99.9%	Social safety	7.6
Timeliness of invoicing	100%	Physical safety: IF Rate	4.2
% product turnover FSI compliant	73.3%	Own energy consumption	-9.7%
Customer satisfaction buyers	39	Greenhouse gas emissions scope buildings and installations	-15.5%
Customer satisfaction Floriday Growers	81.5%		
Customer satisfaction Floriday Buyers	73.0%		
Transactions facilitated and executed by RFH	63.1%		

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“The RFH platform addresses the changing needs of the horticultural sector”

Pieter Bootsma
CEO
Royal FloraHolland

Foreword

Dear relations,

In 2024, Royal FloraHolland continued to shape its role as a cooperative by further developing its logistics and digital floriculture platform. Through this RFH platform, we are responding to key changes in the floriculture sector, including digitalisation, decreasing transaction volumes, and rising production and transport costs. Thanks to our members and growers, the platform offers a diverse range of flowers and plants. In doing so, we provide various buying and selling methods, as well as logistics, financial, and real estate services.

It is encouraging to report that we returned to profitability in 2024 after experiencing a loss in 2023. The various cost-saving measures, efficiency improvements, and innovations have paid off. As a result, we have been able to limit increases in tariffs.

Adapting the organisation

Like all organisations, Royal FloraHolland must regularly review its operations to remain agile in an evolving environment. In 2024, this took shape through three key pillars. With our initiatives Fit for Future and RFH 2.0, we have worked to make Royal FloraHolland more effective and efficient. The initial steps already yielded joint cost savings in 2024. Additionally, we developed a Growth Plan to expand international trade and increase our direct business income. With this strategy, Royal FloraHolland is strengthening its platform, enhancing its service portfolio, and adding greater value for growers and buyers, thereby reinforcing the entire floriculture chain.

For growers and buyers

From early 2025, we are operating under a revised organisational structure and a renewed management team, strengthened with talent from within our own ranks. This will enable us to better meet the specific needs of growers and buyers. A new organisational unit, Grower Value Management, will focus on growers as customers, providing tailored services that align with their unique needs. For example, we will work together to better match growers' ranges to market demand and introduce new services more quickly, helping them thrive in business.

Similarly, the Buyer Partnership Development & International unit will focus on building strategic partnerships with both domestic and international buyers. We will seek new opportunities to support buyers in ways that align with their business models. This new structure forms the foundation for our long-term vision of a financially sustainable and attractive cooperative.

The covenant

In recent years, we have engaged extensively with buyers and growers regarding the role and significance of Floriday. They expressed a desire to be closer involved with and have more input into Floriday's development. The covenant signed in July 2024 between Royal FloraHolland and buyers establishes clear agreements for all parties. It formalises buyers' involvement in Floriday's development, including participation in a Sector Platform Consultation. The covenant defines governance principles, ground rules, and agreements on decision-making. This clarity provides a solid foundation for Floriday's continued growth as a sector-wide platform in the floriculture trade. The impact was evident in 2024: the percentage of buyer-initiated plant orders rose from 41% to 59%.

Progress in 2024

Royal FloraHolland made significant strides in 2024. In June, Naaldwijk fully transitioned to order picking, followed later by all plants in Aalsmeer. Rijnsburg had already made this transition a year earlier. Customer feedback indicates that these changes were implemented smoothly. Similarly, we

received positive responses to the introduction of our member packages, which was facilitated by thorough preparation, clear communication with members, and strong involvement from the members' council. Another key achievement was the agreement on a new collective labour contract for our employees with a 24-month term, effective from April 2024. This longer duration offers both the organisation and its employees stability and confidence.

Floriway continued to underperform in 2024. We undertook a thorough assessment to determine the future of our transport branch. The findings reaffirmed that Floriway has the potential to contribute positively to the floriculture sector's logistics. Full ownership and the appointment of new management in 2024 set the course for restructuring and repositioning Floriway, with a renewed focus on customer service and stronger integration with Royal FloraHolland's services.

Taking responsibility

Progress on sustainability remains a priority for our customers, the industry, and our organisation. Buyers, retailers and consumers increasingly look to us for decisive action. The media and society are questioning the sustainability of flowers and plans. Provinces and municipalities are also implementing their own measures due to a lack of transparency in sustainability practices, focusing on topics such as production methods, energy use, crop protection, and labour conditions. As a cooperative, and with our members and customers we take responsibility by driving collaboration across the sector to advance sustainability.

Royal FloraHolland has progressively improved its annual reporting on sustainability efforts. As a cooperative, we seek to create long-term value and view sustainability as an opportunity to enhance knowledge and accelerate progress, using relevant key figures. In 2025 we would like to take the next steps in compliance with the Corporate Sustainability Reporting Directive (CSRD).

Objectives 2025

Four key objectives are central for 2025. Firstly, maintaining a stable, positive financial result as demonstrated in 2024. This involves consistently improving organizational cost efficiency and expanding revenue through our growth plan, including developing new services on Floriday. Secondly, we will launch a plan in early 2025 outlining our strategic choices. Thirdly, we will increase investment in our logistics platform to accelerate sustainability and support sector-wide green initiatives. Additional financing will be required for this. Finally, our goal is to enhance the cooperative's long-term viability by strengthening engagement with existing and new members through various means. This last objective is arguably our highest priority for 2025.

Sustainability measures in 2024

In 2024, in collaboration with sector partners we established agreements and a roadmap for growers and buyers towards 100% certification in line with the Floriculture Sustainability Initiative. Additionally, we formulated a climate change mitigation transition plan with concrete targets for CO₂ emissions reduction, in alignment with the Paris Climate Agreement. Beyond measures in our buildings and organisation, we support our members in making their businesses more sustainable. For example, from 2024, growers can utilise the FloriPEFCR methodology to calculate the carbon footprint and further environmental impact of their products. After all, every entrepreneur wants to transfer his (family) business to the next generation in the best possible shape.

We also support the De Groene Stad foundation, which promotes the benefits of greenery in the urban environment, and are actively involved in the Groene Kracht Vooruit sector reputation programme, launched in 2024, to engage political and societal decision-makers. In short, sustainability remains a top priority.

Investing in real estate

Royal FloraHolland manages a significant real estate portfolio, with strategically located hubs that facilitate efficient delivery for growers. For (international) buyers it is attractive to be based in the Netherlands – the heart of the floriculture trade. Our hubs provide rapid access to European and global markets.

In recent years, we postponed certain non-essential maintenance at our sites in Aalsmeer, Naaldwijk, and Rijnsburg to allocate capital for strategic investments. As a result, maintenance is now urgently required. In the first half of 2025, we will present a renovation plan to ensure our buildings and facilities remain fit for purpose. These investments are necessary to keep the collective infrastructure of the entire floriculture chain and keep complying with sustainability and safety laws and regulations, and will incorporate measures such as heat pumps and solar panels, and replacing or adapting systems that are not adequate in terms of energy-efficiency. In the medium term, these improvements will also help reduce operating costs. Discussions regarding these investments and their financing will take place with the Supervisory Board, the members' council and our members.

In conclusion

After serving on the board of Royal FloraHolland as Chief Value Officer for almost a year, I was honoured to succeed Steven van Schilfgaarde as CEO on 1 January 2025. I extend my sincere gratitude to the Supervisory Board, the members' council and our members for their trust. Together with the Executive Board, management team and employees, I will work to further develop and innovate the Royal FloraHolland cooperative and platform. Over the past year, I have had the privilege of engaging with many members, growers, buyers and partners. These conversations have provided me with valuable insights into what needs to be done. Building on our business and cooperative strategy, we will continue developing the world's largest B2B floriculture platform. A strong cooperative that drives sustainable, innovative, and financially robust growth within the sector.

I sincerely thank all members, suppliers, buyers, employees and other partners for their contributions to Royal FloraHolland in 2024. Together, we will ensure a thriving and sustainable floriculture sector. Connect to Grow.

Pieter Bootsma,
CEO Royal FloraHolland

Farewell to Steven van Schilfgaarde



On December 31, 2024, Royal FloraHolland said farewell to its CEO, Steven van Schilfgaarde. Steven served on the Executive Board since May 2016 and became CEO in 2018. During this period, he ensured both continuity and innovation, transforming the traditional auction business into the platform cooperative it is today. Under his leadership, Royal FloraHolland, in collaboration with the Members' Council, developed a new business and cooperative strategy. Key milestones included the launch of the digital platform Floriday, the modernized logistics platform, and the transition to a Members' Council. He also significantly advanced sustainability initiatives at Royal FloraHolland and within the ornamental horticulture sector. We thank Steven for his contribution to Royal FloraHolland.

Pieter Bootsma (CEO) en David van Mechelen (CFO)

Financial Results and Outlook

Royal FloraHolland is committed to being a financially healthy cooperative, focusing on sustainable long-term value creation. The target for 2024 was to achieve a break-even result following the sale of real estate. Through a stringent budget, targeted measures and rate increases, the result - excluding real estate sales - was positive. The aim for 2025 is to maintain this financially positive outcome.

Higher product turnover but fewer trolleys delivered; clock share remains stable

Product turnover increased by 5% in 2024 compared to 2023, reaching €5.3 billion (2023: €5.1 billion). This growth was primarily attributable to an 11% rise in the average unit price of flowers, while the average unit price of plants remained unchanged. The total number of products traded declined by 2%, mainly due to a reduction in the number of flower units (2%), while plant unit volumes remained steady.

The decline in product volume was primarily due to a 5% decrease in clock sales, whereas the direct channel experienced a 2% increase in volume. Consequently, the clock's share of total product volumes dropped by 2% to 53% compared to 2023. This decrease in clock volume was entirely due to a 5% volume reduction in flower sales. The clock's share of product sales remains stable with 41.4% (2023: 41.1%). The load level in 2024 was lower than in 2023 (-3%), resulting in a 2% decrease in clock trolleys despite the overall 5% reduction in clock volume.

In addition to higher product sales, rate adjustments contributed to increased revenue. Revenue from logistics handling, packaging and trolley rental rose, though the rates increase was partially offset by a lower number of trolleys supplied. Lower volumes, along with customer losses from previous years, led to declining revenues from Floriway. Furthermore, €7 million worth of real estate was sold in 2024 (2023: €0 million). Royal FloraHolland's total revenue increased by €30 million to €485 million in 2024.

Lower costs for energy and suppliers

Following significant rises in both 2022 and 2023, energy costs fell in 2024, decreasing from €28 million in 2023 to €20 million in 2024. This reduction was primarily due to lower energy purchase prices, as well as energy-saving measures and more conscious energy usage, despite increasing energy taxes.

Other operating expenses (excluding energy) fell by €6 million to €134 million. A more professional procurement policy and cost control measures contributed to lower operating costs, despite price increases from suppliers. Additionally, Floriway costs declined, with direct costs adjusting to lower volumes and indirect costs also being reduced.

Wage costs increased by 1% to €240 million. A 4% wage increase for employees, in line with the collective labour agreement, was counterbalanced by a lower workload due to reduced trolley numbers, increased productivity in order picking, fewer temporary staff, lower personnel costs at Floriway, and initial savings from the Fit for Future programme. Some vacant office positions were not filled.

Rising EBITDA and positive result after tax

The operating result before interest, tax, depreciation and amortisation (EBITDA) rose to €91 million, up from €51 million in 2023. This increase was mainly driven by higher revenue and lower operating expenses. The pre-tax result stood at €10 million, while the post-tax result reached €6 million, an increase of €23 million compared to 2023.

In addition to operational improvements, this result was bolstered by higher proceeds from real estate sales. In 2024, a €7 million profit was realised from the sale of non-core real estate as part of the strategic real estate plans. In contrast, planned real estate sales in 2023 were postponed due to rising interest rates, meaning the targeted result from real estate sales was not achieved that year.

Limited use of new credit facility at year-end 2024; solid balance sheet

Cash flow from operating activities increased to €105 million (2023: €32 million), primarily due to higher operating results. Cash flow from investment activities increased slightly to €74 million (2023: €73 million), mainly as a result of higher maintenance investments. Cash flow from financing activities was negative at €25 million, compared to €23 million in 2023, largely due to the repayment of the 2015 annual layer in 2024, whereas no repayments were made in 2023.

The balance sheet total increased by €8 million to €756 million (2023: €748 million). The positive pre-tax result led to higher equity, improving solvency* to 26% (2023: 25%). Risk-bearing capital remained stable at 52% (2023: 52%), within the established range of 45% to 55%. The net debt ratio** remained well within the normative threshold of 3.5, standing at 0.1. By the end of 2024, €16 million of the available credit facility had been utilised, leaving €194 million unused.

Outlook

Royal FloraHolland conducts sensitivity analyses (scenarios) spanning several years and performs an annual strategic risk analysis. In addition to ongoing strategy implementation, the cooperative develops various plans to ensure financial performance remains at the desired level in order to have a robust business model, even in less favourable market conditions in the floriculture industry. Relevant stakeholders will be involved in this process.

As in 2024, the objective is to maintain a financially positive result, aiming for a break-even outcome excluding real estate sales. This will be achieved through three key pillars: Fit for Future, the Growth Plan, and RFH2.0.



Pink dahlia flower

* Solvency is calculated as: $(\text{group equity} / \text{balance sheet total excluding cash and cash equivalents})$.

** Risk-bearing capital is calculated as: $(\text{equity} + \text{depository receipts B/C/D}) / (\text{balance sheet total excluding cash})$.

*** The net debt ratio is calculated as: $(\text{bank funding} / \text{cash flow EBITDA ratio})$.



“In 2024, we demonstrate profitability independent of real estate transactions”

We have finished the spring clean; now we can look ahead!

Positive result before real estate sale

With CFO David van Mechelen, we take stock of the financial situation. What were the key positives and challenges of 2024? How is Royal FloraHolland performing financially? And what lies ahead for the cooperative and its members?

Are you satisfied with turnover and operating profit in 2024?

‘Yes, achieving nearly five per cent growth in product turnover is certainly positive. Although volume declined by two per cent, this was more than compensated for by a seven per cent increase in the average price. There were significant differences between plants and flowers, but overall, 2024 was a stable, positive year. However, declining volumes remain a concern. To maintain efficiency, achieving sufficient scale is crucial for Royal FloraHolland.

Higher product sales generate more commission income for Royal FloraHolland. The operating result for the year stood at a profit of €6 million after tax - a notable improvement, particularly compared to the €17 million loss recorded in 2023.’

David van Mechelen
CFO
Royal FloraHolland

Looking at the cost side of the results, what stood out in particular?

‘Let me highlight a few key aspects. Firstly, our labour costs remained almost at the same level as in 2023. That is quite an achievement, considering we managed to provide our employees with a four per cent wage increase. We balanced this by reducing our reliance on temporary workers, who are generally more expensive. Additionally, we improved the productivity of order picking. Our ‘Fit for Future programme’ already started delivering results in 2024, as vacant positions in office and management roles were not automatically refilled. This awareness of the need for cost control encouraged everyone within the organisation to seek alternative solutions first, which had a noticeable impact.

That said, absenteeism at Royal FloraHolland remains too high - more than two per cent above our target. Addressing this issue will be a priority in 2025.

Furthermore, our energy costs decreased by €8 million compared to 2023. This was largely due to more favourable energy procurement, but also because we took steps towards more efficient and conscious energy usage. We will continue to focus on this in the years ahead.

Additionally, our agreements and contracts with suppliers worked well for us this year. Overall, our procurement policy has become more professional. We pay closer attention to details, and we negotiate better and harder. This cultural shift is reflected across the organisation, particularly in our spending. It is a positive development, and I commend the team for it.'

“To fulfill the promise of our modern, future-proof platform, addressing deferred property maintenance is urgently needed”

‘With Floriway, we have not yet managed to achieve the financial turnaround we need. Once again, our transport branch recorded a loss last year. However, the second half of the year showed improvement compared to the first. We have taken decisive measures, including appointing new management with a revised plan, and our expectation is that this will lead to the necessary turnaround. We are monitoring this closely, as we must soon find a credible path to profitability, backed by tangible improvements in financial performance. Unfortunately, we had to slightly lower Floriway’s valuation, mainly due to its repeated failure to meet projected financial results.’

You mentioned ‘Fit for Future’. Have this and other improvement programmes (RFH 2.0 and the Growth Plan) delivered the expected savings?

‘They are on track. By the end of 2024, these programmes helped us reduce our expenditure, and we expect further improvements over the next two years. Eventually, we aim for structural savings of €20 million per year, with each of these programmes contributing €10 million annually. This is a significant amount relative to our operational turnover of around €500 million. At the same time, we must remain vigilant to prevent expenses from creeping back up. Maintaining a lean and effective organisation is an ongoing challenge.

Our Growth Plan is a crucial third pillar of our strategy. Growth helps reduce unit costs and allows us to avoid raising rates significantly. It is essential for staying financially healthy, while also enabling investment and innovation.’

As part of a long-term real estate and infrastructure plan, Royal FloraHolland sold two sites in Naaldwijk. How do these transactions impact the operating results?

‘You are referring to the land where De Pyramide once stood and the Bloemblad 2 site, which was officially transferred on 2 January 2025. Together, these total 13 hectares. These sales are part of a consistent strategy we have followed in recent years: divesting ‘non-core’ areas that are in our periphery and do not contribute to our long-term strategy. Importantly, the proceeds from these sales should not be used to offset operational losses. A company with a healthy business model should maintain a structural balance between income and expenses, independent of one-off gains. Our members expect the same. The fact that we achieved a profit in 2024 without relying on real estate sales proves that we are heading in the right direction. The challenge now is to sustain this progress.’

Refinancing

‘In 2024, we secured new financing arrangements with our banks to replace the expiring credit facilities. We go through this process approximately once every five or six years, and we were able to negotiate favourable terms. This financing is important for Royal FloraHolland: it ensures financial security and the continuity of our platforms in the event of unexpected market fluctuations. Additionally, we agreed on specific KPIs, making this financing, secured in March 2025, a Sustainability-Linked Loan.’

What can members, growers, and buyers expect in 2025?

‘Although we have stabilised our financial position, we cannot afford to relax. Over the next decade, we will need to make substantial investments in our real estate and infrastructure. Royal FloraHolland is a capital-intensive organisation. Our annual expenditure on infrastructure, buildings, and installations is comparable to our labour costs. These assets require a quality upgrade to fulfil the promise of a modern, future-proof logistics platform. This is not just deferred maintenance; it is a necessary step to strengthen the cooperative in the medium and long term. At the same time, these renovations provide an opportunity to accelerate sustainability initiatives. We are looking at installing solar panels, LED lighting, heat pumps, better insulation, and smarter building designs. Creating a safe and pleasant working environment that complies with regulations is a key priority.’

When will members be informed about these plans?

‘In the first half of 2025, we will engage with our members to discuss what these investments mean for them. During meetings, we will present our plans for the upgraded buildings, installations and infrastructure. We will also explain how we intend to implement these improvements while ensuring that the RFH platform and services remain fully operational. Most importantly, we will demonstrate how these investments will secure the long-term continuity of trade.’

Responsible business, cooperation and sector

To remain successful in the long term and add value for members, Royal FloraHolland is working to make the cooperative and the floriculture sector more sustainable. Members see the importance of investing in this. In this way, they contribute to reducing their ecological footprint. In addition, more and more consumers - and with them retailers and an increasing number of buyers - expect us to take our joint responsibility in this respect and governments are imposing ever higher legislative and regulatory requirements on more sustainable cultivation.

Growing greener together is our sustainable ambition. We see it as both our responsibility and an opportunity to keep our cooperative strong and make the floriculture sector more sustainable. We distinguish three pillars:

- **Reliable and transparent floriculture marketplace** - being a safe and transparent platform.
- **Liveable planet** - minimising the impact on the environment.
- **Inspired and vital people** - a healthy and safe workplace and environment for everyone, where everyone comes into their own and we achieve more together.

This annual report shows that Royal FloraHolland takes sustainable measures in the broad sense of the word: ecological and social. The goal of Dutch greenhouse horticulture is to be climate neutral by 2040. Royal FloraHolland, in coordination with the members' council and large trading companies, has decided to gradually achieve 100% sustainability certification in 2027. We also demonstrate our ambitions as a company in areas such as transport, purchasing, logistics, real estate and employee support.

Against crime

Due to its finely branched international logistics network, the floriculture sector is potentially vulnerable to criminal interference. The Resilient Floriculture Sector initiative aims to protect the beauty of the sector and address vulnerabilities. Royal FloraHolland is involved in this as a partner. We help entrepreneurs become resilient, providing them with knowledge to quickly recognise signals of crime, report abuses and take preventive measures.

Key developments and results

A comprehensive overview of sustainability policies and measures can be read in the sustainability report starting on [page 70](#). The main developments and results in 2024 were:

- **Priorities** - Completion of the dual materiality analysis in which we named the topics to be strategically prioritised.

- **Certification** - Decision, taken by the Royal FloraHolland Executive Board after coordination with Members' Council and FSI Accelerators Trade, that by 1 January 2026 the vast majority of members and suppliers who trade flowers and plants and settlement through Royal FloraHolland's digital platform will be certified according to the requirements of the Floriculture Sustainability Initiative (FSI).
- **Climate** - For our buildings, installations and transport, we established the climate change mitigation transition plan. In it, we elaborate targets for CO₂ emission reduction and energy consumption in line with the Paris Climate Agreement.
- **Footprinting** - The standard methodology for environmental footprint calculations in floriculture, the FloriPEFCR was approved by the European Commission. Two footprinting tools have since been benchmarked against FSI requirements. These tools allow growers to have the environmental impact of their products calculated on 16 indicators, including climate change (greenhouse gas emissions).
- **Social** - Physical and social safety is even more firmly embedded in the Royal FloraHolland employee policy. The number of accidents was substantially reduced by 2024.
- **Organisation** - We improved the integration of sustainability in the organisation, particularly at Real Estate and Facility Management, Finance, Purchasing, HR, Operations (Logistics Resources) and Public Affairs.
- **Cooperation** - We expanded the cooperation with the Foundation Versnellers Sierteelt expanded. This is a group of growers who, as pioneers, want to initiate an accelerated sustainability movement and are keen to work with Royal FloraHolland and its member growers.
- **Making Royal FLoraHolland more sustainable as a company** - By 2024, Royal FloraHolland has developed a comprehensive sustainability plan for Royal FloraHolland as a company. Reduction of emissions (including CO₂) and energy use are important pillars in this. Initiatives are also being taken in many other areas. With better dashboarding and data management in the future, steering for sustainability results will become increasingly possible. Royal FloraHolland embraces the CSRD. We see it as an opportunity to accelerate sustainability, and to increase our knowledge and insights using relevant key figures.



Membership of Royal FloraHolland takes a lot of work off our hands

Kristof Michiels and Yorick Peers

GREENOSA

"A number of Royal FloraHolland services are very useful to us. The financial services such as direct debit and weekly payments take a huge weight off our shoulders. Thanks to the management and tracking of logistical resources and CC containers, we no longer have to keep track of this ourselves for different customers. Finally, the presence of many buyers at the hubs is an added value; thanks to efficient logistical processes, our plants quickly reach our customers after sale."

We receive clear invoices and overviews in our own digital environment

BUYER

We purchase part of our trade via the eWallet

At the hub where I have my box, a large and varied assortment is available

The company

Corporate strategy

Royal FloraHolland's corporate strategy reinforces its cooperative strategy, and vice versa. We are evolving into a company with a digital platform (Floriday) and a logistics platform (hubs), which are closely interconnected through our services. This enables us to provide faster, more predictable, and more reliable solutions that align with the commercial and logistical requirements of both growers and buyers.

On our **digital platform**, transactions take place through various trading methods, including clock sales, auction presales, direct day trading, and futures trading. Logistics resources are arranged, and financial settlements are processed here. The physical delivery of flowers and plants occurs via our **logistics platform**, covering both clock and direct day trading. So our services support growers and buyers throughout the entire floriculture supply chain.

Our customer commitments

We have established three customer commitments that form the foundation for members, growers, and buyers to trade successfully. As a cooperative, our ambition is 'Growing Greener Together', promoting sustainability within the floriculture sector. This commitment is reflected in our services.

Simplified dealmaking

Seamless trading starts with connecting growers and buyers quickly and efficiently. Royal FloraHolland provides access to a vast and diverse range of flowers and plants. We continuously enhance and innovate trading methods, making it easier for growers and buyers to engage in international floriculture trade.

Customised logistics

Logistics forms the backbone of the floriculture supply chain, linking growers to buyers. As a key hub in the fresh produce chain, Royal FloraHolland is committed to optimising logistics processes in a smarter and more customer-oriented way, responding to the increasing demand for precision and efficiency. In collaboration with logistics service providers and integrated with Floriday, we are building a comprehensive logistics network that offers end-to-end logistics solutions, both nationally and internationally.

Smart business

Successful trading is a multifaceted process: it requires payment security, business premises expansion, and access to sales and marketing resources. To support both growers and buyers, we offer a comprehensive range of services, in areas like payments, consultancy, trade fairs and real estate, enabling growers and buyers to conduct business smartly and securely.

Towards a strong Royal FloraHolland platform

For any organisation, it is essential to regularly assess its own operations. Are our current ways of working still aligned with the evolving business environment?

We have undertaken several key initiatives, which we will elaborate on in the following chapters:



Fit for future

A future-proof organisation with a more effective and efficient approach to indirect staff management.



RFH 2.0

Enhancing productivity and maximising the utilisation of infrastructure, buildings, resources and employees.



Growth plan

Increasing trading volume to reduce unit costs.

The company

Fit for Future

With Fit for Future, Royal FloraHolland is making its business more effective and efficient.

In other words: doing the right thing in the most practical, high-quality and fast way.

Fit for Future ensures that Royal FloraHolland can develop into a healthy and strong future-proof platform organisation.

Collaborate more intensively

Royal FloraHolland is developing into a platform company. In it, we combine the digital and physical: from (off- and online) transactions to the delivery of flowers and plants through our hubs and financial settlement. By intensifying the relationship and cooperation with growers and buyers, we strengthen the Royal FloraHolland platform. This allows us to innovate successfully and create an environment where everyone feels involved and heard. Together with growers and buyers, we increase the added value of the Royal FloraHolland platform for global floriculture. For growers, we do this from 2025 under the banner of *Grower Value Management* and in the relationship with buyers we call it *Buyer Partnership Development & International*. This is how we coordinate our contacts with growers and buyers and create more unity in our relationships.

Grower Value Management

As members of the cooperative, growers are at the heart of Royal FloraHolland and are customers at the same time. The new organisational unit *Grower Value Management* focuses on the grower as customer. We respond to their specific needs with customised services. For instance, together we can ensure that the grower assortment even better matches demand and we bring new services to the market more quickly with which we help growers do business. This increase in value cannot be captured in euros alone: we also encourage sustainable production, ensure a wide range of products, focus on customer satisfaction and build a better image for the sector. Within *Grower Value Management*, auctioneers and product and account management work closely together. A management team bears responsibility for the entire customer relationship.

In 2024

- New operating model with effect from 1 January 2025: more unity in contact with buyers and growers
- Greater efficiency with a compact, effective and efficient platform organisation
- Long-term savings of structurally ten million euros a year

Customer satisfaction survey 2024

Royal FloraHolland regularly surveys customer satisfaction among members and buyers. The customer satisfaction survey conducted in the last quarter of 2024 showed, among other things, that members and buyers are satisfied with Royal FloraHolland's financial services. There was particular appreciation for the 100% payment security for growers. The same goes for the clock as a sales tool. The appreciation of Floriday increased among members compared to the end of 2023; support for Floriday increased among buyers. Furthermore, buyers in 2024 have become more positive about the logistics of clock and direct purchases and have gained more trust in the management. Areas for improvement are the level of costs overall and the price-to-value ratio of the leased real estate. The survey was distributed to 3,788 members (response rate: 634) and 2,202 buyers* (response rate: 321).

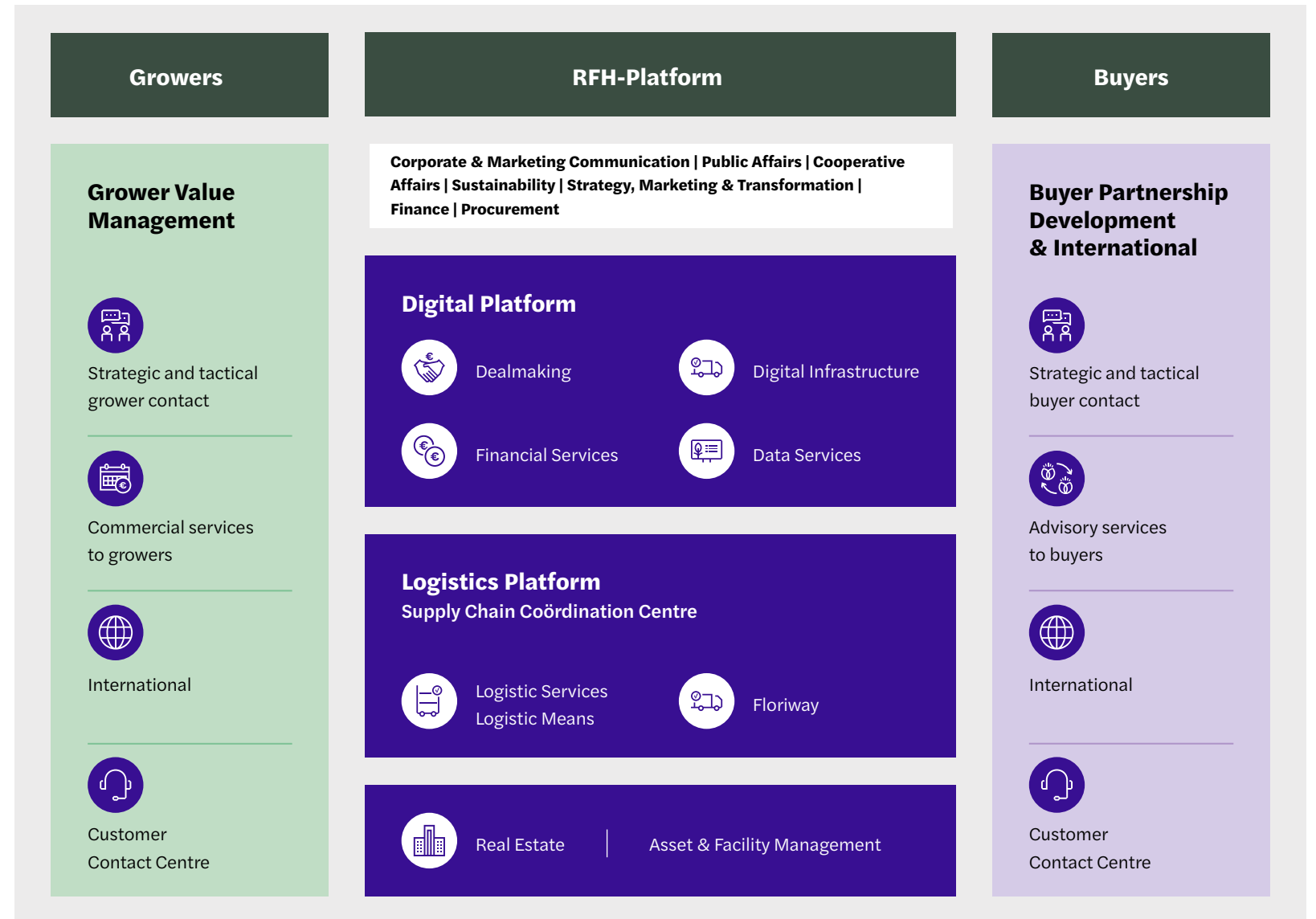
Buyer Partnership Development & International

The relationship with buyers is an important foundation in the floriculture chain from grower to buyer. The new organisational unit *Buyer Partnership Development & International* focuses on strategic partnerships with buyers at national and international level. Together with them, Royal FloraHolland looks for new opportunities to unburden them in a way that suits their business. By investing in accommodation at our hubs and faster routes to, from, and between our hubs, we as a sales organisation can make a difference for buyers. The closer relationship with buyers stimulates buying power on the platform, thus creating value for buyers and growers.

Efficient organisation

With Fit for Future, we make the way we perform tasks simpler, more focused and better wherever possible. For this reason, we are reducing the number of external staff working for us by thirty FTEs. Also, over the next two years, one hundred of the eight hundred permanent office positions will be abolished, many of them through natural turnover and unfilled vacancies. We are making the organisational structure flatter and simpler. This offers employees in certain positions in the organisation the opportunity to get more out of their role. Fit for Future's efficiency drive will continue until the end of 2026 and will ultimately yield average annual savings of ten million euros.

Operating model



The company

RFH 2.0

With RFH 2.0 (started in 2022), Royal FloraHolland is making adjustments to its business model in order to deploy resources and buildings more efficiently, allowing people to work more effectively. The aim is to ultimately save ten million euros a year structurally.

We take measures to spread the delivery of flowers and plants as much as possible and allow buyers to choose which services they want to purchase and when. The availability of our people and resources also determine the services offered. The floriculture sector and Royal FloraHolland both benefit from less peak times - on the day and during the week - to reduce costs, among other things. It offers opportunities to deploy employees in other or longer shifts. Growers and buyers sometimes get more (choice) options, or, on the contrary, less freedom of choice in, for example, delivery time, delivery location or delivery slot. Making better use of people and resources is not only necessary, but also sustainable.

Agreements, processes and traditions that are ingrained in our doings must (dare to) be reconsidered. Simply because they can no longer be financially justifiable or are in line with changing practices in the chain and sector. Within RFH 2.0, a multidisciplinary team, together with growers and buyers, scrutinises services and working methods. Are we still doing things smartly? Is it still necessary? Can we do it differently? What is the impact for growers and buyers if we change our approach?

RFH 2.0 in progress

- The first growers delivered direct, on site auctioning and clock auction flows bundled at hubs after which Royal FloraHolland makes sure they are delivered to the buyer.
- Through more efficient logistics, such as smarter storage of logistics resources and a different building layout, we were able to save 50,000 m² of space and partly offer it for rent.
- In its new logistics strategy, Royal FloraHolland encourages the spread of buying and selling flowers and plants: throughout the year, during the week and on the day. For example, by giving a discount on period deliveries outside daily peak times and, on the contrary, charging a higher rate for delivery in peak time periods.
- Other initiatives included developing better supply forecasts, rearranging the Elsen building in Naaldwijk, developing a new supply chain sticker. Many of these trajectories will run through 2025.

In 2024

- Less peaking, more spreading
- Better utilisation of real estate for own use
- Less real estate for own use, more for purchasing power and rental
- Long-term savings of structural ten million euros per year

RFH 2.0 in brief

Why?

- Financial health of Royal FloraHolland (short and medium term)
- Greater efficiency for both Royal FloraHolland and the chain
- Affordable cooperation for members, growers and buyers
- Reliable logistics services
- Attractive employer
- Sustainable enterprise

What?

- Peak damping, more spread of transactions
- Better deployment of people and resources
- More efficient use of space
- Channel-independent logistics

The company

Growth plan

The aim of the growth plan is to focus on the key areas for growth of Royal FloraHolland by creating opportunities for sector growth. One spearhead, for example, is working with growers and buyers to play a greater role in international trade together. This will allow Royal FloraHolland to strengthen its platform, expand and develop the service package that allows it to increase its yield, and add value for the entire floriculture chain. The Growth Plan was developed in 2024 and runs from 2025 through 2027.

Royal FloraHolland, as facilitator of the digital and logistics platform, aims to make interaction between growers and buyers easy and enable them to achieve collective and individual goals.

In doing so, it helps us to cooperate optimally worldwide, regardless of cultural or business differences. We deliver customisation where needed, standardisation where effective and contribute to the growth of businesses in floriculture. All these principles come together in our platform and thus in our Growth Plan for the coming years.

Working together

In the Growth Plan, we work closely with our customers. Because growing and innovating on the basis of a joint agenda leads to shared and therefore sustainable success. With the covenant concluded with buyers in 2024, in which we joined forces for Floriday's future (see below: Floriday), we have taken an important step in working together on growth and efficiency. Building partnerships with growers and buyers is indispensable, because only by working together can we increase the added value of the platform for global floriculture.

In 2024, among other things, we conducted several small-scale experiments with growers and buyers to better support day trading. Examples include testing the effect of 100% supply of clock supply on Clock Presale, adjusting the price in the interim and bringing forward the starting time of buying. The Growth Plan comprises some 20 different initiatives in total.

Expand network

The Royal FloraHolland platform offers opportunities for other parties to join. By growing the network, we maintain our position as a central platform, keep costs under control and are able to offer our services at an attractive price level for customers. The more parties use the platform, the bigger our global joint market share becomes and cheaper the management of the platform becomes. In doing so, we strengthen the entrepreneurship of growers and buyers. Precisely that is the purpose of our digital and logistics platform and is partly the 'reason for existence' of the Royal FloraHolland cooperative.

In 2024

- Finalise Floriday covenant with buyers
- Four pillars and 20 initiatives for growth
- Larger network strengthens cooperative goals and sector
- Improvement over time of structural ten million euros per year



The company

Our people

The commitment, vitality and expertise of our people largely determine the success of Royal FloraHolland. As an organisation, we support them to develop as individuals. The common thread here is promoting cooperation, increasing knowledge and stimulating job satisfaction. This is in line with our core values: cooperative, result-oriented, innovative and reliable.

Much information about working conditions at Royal FloraHolland is included in the sustainability report ([from page 99](#)).

Below are some of the spearheads that received attention in 2024.

New HR vision

In 2024, Royal FloraHolland drew up a new HR vision that is in line with the corporate strategy and responds to the changes the floriculture sector is going through. The vision rests on three pillars:

- Being an attractive employer** - like every organisation, Royal FloraHolland has to deal with the challenges of the labour market. Good working conditions therefore deserve special attention. Research in 2024 showed that our terms of employment compare well with similar organisations. In 2024, we launched an internal Social Safety campaign (see box).
- Committed and vital people** - in 2024 we had a higher absenteeism rate. We take measures to structurally reduce sick leave by offering employees targeted training and facilities. In doing so, we also use the Royal FloraHolland Academy-learning platform by, among other things, supporting them in their mental workload.
- Change power** - in a rapidly changing floriculture sector, Royal FloraHolland employees are expected to move and develop with the company-development. We want to give them opportunities to grow in the company. To this end, we offer them opportunities in the form of internal training and development programmes such as HortiHero's, the Young Potential Programme, the Medior Programme and how we work according to Scaled Agile Framework (SAFe).

In 2024

- Employee engagement: 7.6 (2023: 7.6)
- Social Safety: 7.6 (2023: 7.6)
- Absenteeism*: 7.1% (2023: 6.9%)
- Accidents**: 37 (2023: 43)

* Only including participations with more than 50 employees

** Resulting in absenteeism

Social Safety campaign

In the Social Safety campaign (April 2024 - April 2025), we pay attention during training sessions and online to a safe working environment by discussing and combating verbal violence, sexual harassment, bullying, discrimination, physical violence and intimidation. With confidants, a complaints committee and a Speak-Up line, we aim to prevent as many incidents as possible or act appropriately if someone reports an incident.

Fit for Future

With Fit for Future, we have adapted the organisation into a more compact and effective one that can achieve the desired growth and innovations and create value for growers and buyers.

New collective labour agreement

As of April 2024, we concluded a new collective labour agreement* (CAO) with a term of 24 months. The longer term gives the organisation and employees security and strengthens trust. The new collective labour agreement includes: wage increase, higher travel allowance, additional birth leave, cold allowance and higher home working allowance.

Employee survey

The 2024 employee survey (MO) response rate fell to 70% (2023: 79%), remaining above Effectory's benchmark (65%). The engagement score** remained the same compared to last year: 7.6. This is thus higher than the benchmark of 7.4. The feeling of focus on improving social safety has increased compared to last year 7.9 (2023: 7.7).

Works council

The works council (OR) is the discussion partner for the management team of Royal FloraHolland. The council represents the interests of employees in proposed decisions and plans. The OR is a representation of a majority of the departments and had monthly consultations with the Royal FloraHolland director (supplemented where relevant by other members of senior management). By the end of 2024, the OR dealt with 16 requests for advice on the proposed decision to change the organisation of various departments following Fit for Future. Royal FloraHolland, in agreement with the OR, applied the 2023-2024 social plan to all redundant employees to treat them equally in terms of social consequences. Other topics covered in 2024 included The New Logistics (order picking), early auction days, the changing role of the auctioneer, the staff shortage, adjusted smoking policy, the Workforce Management System (WFM) and various organisational changes. As at Royal FloraHolland the Floriway works council is a discussion partner for the Floriway management team. Floriway's Works Council also dealt with requests for advice on reducing the number of indirect employees.



* The collective labour agreement concerns Royal FloraHolland excluding the associates.

** This relates to Royal FloraHolland figures excluding the participations.



Select delivery saves us a lot of time, space and personnel deployment

Laurens Mulder

FLEUROMARCHE

“Thanks to Select Delivery and Order Picking, we can choose from different delivery time slots. That is a real godsend for us. We receive our products earlier and can process them faster, with fewer people. And we can plan work and trips better. Where it sometimes used to be a close call with the drivers’ driving times, there is now more peace of mind.”

As a grower, I decide for myself the order in which products are auctioned

I can set up trolleys with products at Royal FloraHolland and from there choose flexibly between the various trade channels

My buyers now have more choice in the delivery time slot

BUYER

The cooperative

Cooperative strategy: together in our cooperative

The members' council and members developed the cooperative strategy: Together in our cooperative. This meets current challenges and opportunities in the floriculture sector such as globalisation, digitalisation, new sustainability requirements, high energy costs, high freight prices and staff shortages.

Fundamental to the strategy is a long-term vision of the Members' Council outlining how the co-operative of floriculture growers will remain healthy by building together on the leading B2B floriculture platform. In doing so, Royal FloraHolland remains attractive by adding value for growers and buyers. The strategy consists of four building blocks:

1 Strengthening the network effect

2 Offering membership packages, in which usage best suits each type of member

3 Making membership attractive

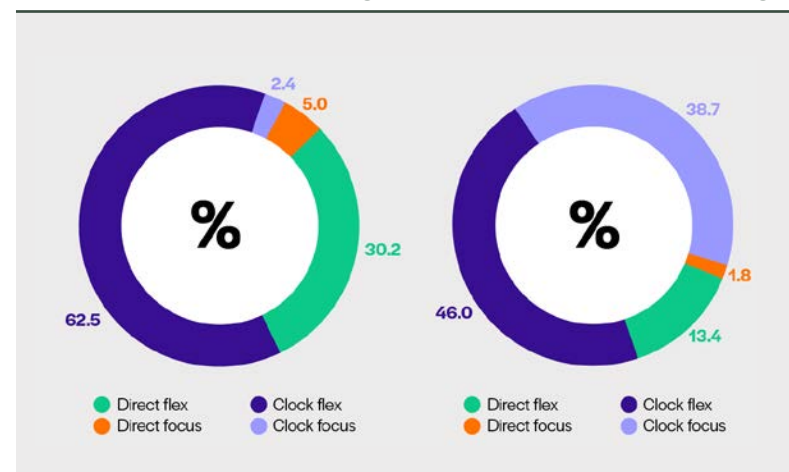
4 Value creation by the company



The cooperative Member packages: one year on

At the start of 2024, Royal FloraHolland introduced member packs. Feedback indicates that the launch was smooth and that the packs have generally met members' needs.

Turnover distribution across packages Member distribution across packages



With this introduction, an important element of our cooperative strategy was fully realised. The primary objectives of the member packs were to simplify processes, achieve economies of scale and enhance the benefits of membership. These packs allow each member to make the most of the services most relevant to them, at an appropriate rate. Members can select their pack based on:

- the level of access to trade channels and services;
- sales commission and rates;
- rights and obligations.

Guidance on pack selection

Royal FloraHolland recommended a pack to each member based on their previous transaction history. Additionally, we developed a tool that allowed members to customise their pack easily, compare the pros and cons, view the differences in rates, and ultimately choose the pack that best suited their business needs. Of course, the final decision remained entirely with the grower.

Member pack outcomes in 2024

An evaluation conducted in May 2024 alongside member feedback confirmed that the introduction of member packs went very smoothly. This was largely due to thorough preparation, timely internal and external communication, and the provision of multiple knowledge sessions. The members' council played a key role in this successful rollout. After three months, 72% of members reported being satisfied or very satisfied with their chosen pack.

In 2024

- Member pack satisfaction: 72%

Overview of member packs

The four membership packs strike a balance between the cooperative's objectives and costs and individual growers' needs for additional services. The content and structure of these packs were extensively tested in multiple member sessions in 2023. The four member packs are:

1. Direct focus

Offers favourable rates to members who sell flowers and plants exclusively via direct sales. Clock and auction presales are not available in this pack.

2. Direct flex

Designed for members who primarily engage in direct sales but wish to retain flexibility in using the clock. Growers maintain flexibility.

3. Clock flex

Ideal for members who trade at least 20% of their flowers and plants on the clock. Also allows for a portion of sales to be conducted directly.

4. Clock focus

Best suited for members who prioritise auctioning but occasionally sell flowers and plants directly.

The cooperative

Advocacy

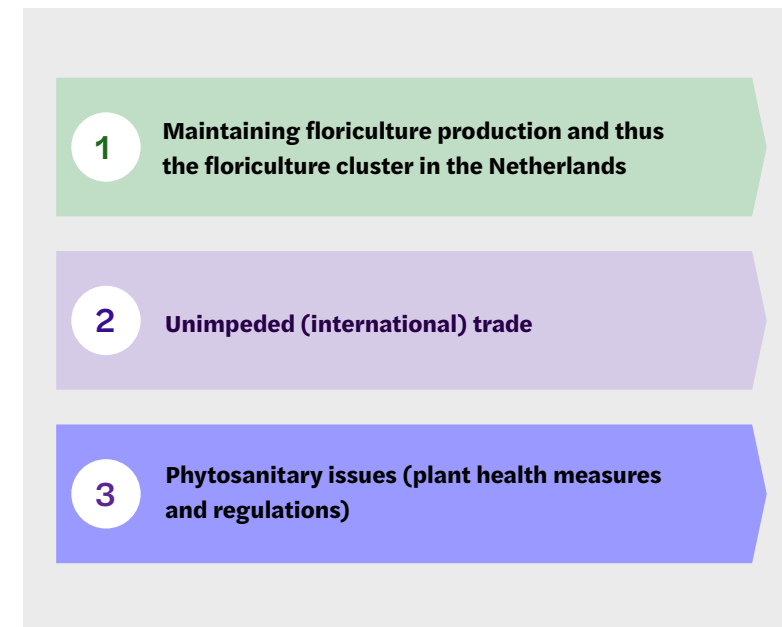
Royal FloraHolland promotes the interests of its members, the cooperative and the floriculture sector as a whole. Various social issues affect the cooperative and the sector, such as energy transition, the use of (fewer) crop protection products, good employment practices and biodiversity.

In 2024, Royal FloraHolland was involved in policy-making in Europe and the Netherlands itself and through the Dutch Flower Auctions Association (VBN).

Working together

In representing our interests, we work together with organisations and partners in the (glasshouse) horticulture sector, such as Glastuinbouw Nederland, the Association of Traders in Flower Cultivation Products (VGB), GroenteFruitHuis and Plantum. In network organisations such as Greenport Nederland, topics such as spatial development, labour migrant housing and water quality are discussed. The aim of cooperation is to contribute to innovation, sustainability and maintaining social support for growers and their floricultural products.

Advocacy activities can be clustered into three themes:



In 2024


- 'Green Power Ahead' (Groene Kracht Vooruit) campaign strengthens reputation in the sector
- Fewer physical checks for UK
- Maintain low VAT rate

In 2024

Topics that received attention in 2024 were:

- Implementation of the Greenhouse Horticulture Energy Transition Covenant 2022-2030. This sets out agreements on a coherent package of pricing, standardisation and subsidies. It should ensure that the greenhouse horticulture sector achieves the residual emission target in 2030 and is ultimately climate-neutral in 2040.
- Implementing the reputation programme for the sector: 'Green Power Ahead'. This started in 2024 and targets decision-makers in politics and society.
- Reduce the number of physical inspections of flowers and plants at ports in the United Kingdom (UK). The aim is for the UK to recognise inspections on this side of the channel.
- Maintaining the reduced VAT rate for ornamental horticulture.
- Phytosanitary measures: Royal FloraHolland, together with other parties, has a coordinating and stimulating role in reaching agreements with the European Commission. Local authorities in Kenya and Ethiopia must demonstrate that they are taking appropriate management measures together with producers to achieve zero interceptions on imports and thus prevent the spread of False Codling Moth (a quarantine organism in the EU) when importing roses into the EU.
- Agree with Dutch Food and Consumer Product Safety Authority (NVWA) on the transport of plant products in case of an outbreak with a quarantine organism near one of Royal FloraHolland's locations.

For more information on advocacy, see sustainability report, [page 109](#).



Acting more efficiently, faster and with fewer errors thanks to Floriday

Robin van der Knaap

TOGETHER2GROW

“Whereas we used to have a lot of contact via telephone, WhatsApp and email, with the mailbox filling up by 6 p.m., we now work digitally via Floriday. The beauty of working this way is that it is less prone to errors and we have time to have other conversations with customers, such as discussing new products and future trade. We also work faster and share more information about the origin and certifications of the product, for example. Floriday really adds value to the floriculture sector.”

There are fewer mistakes in my orders

Tracking article information is saving me time

I have instant insight into the status and shipment of the order

BUYER

Digital platform

Floriday

On the digital platform, transactions take place via the clock, Clock presale, in direct day trade or futures trade and financial settlement is handled.

Floriday is the beating heart of Royal FloraHolland's digital platform. The online trading platform enables growers to offer flowers and plants quickly and efficiently and gives buyers access to a wide range of ornamental plant products. Floriday also unlocks new services for growers, buyers and exporters.

Growers can use Floriday to offer their supply of flowers and plants directly for daily, weekly or futures trading or supply for clock and Clock presales. Growers and buyers can use Floriday's screens or they can link their own software package with Floriday.

By offering more and more new functionalities and services on Floriday, the platform adds value to the floriculture sector. At the same time, this strengthens Royal FloraHolland's position as a pivot in the sector and thus our cooperative role.

Floriday in 2024

In 2024, more growers and buyers again used Floriday. Over €2.8 billion worth of flowers and plants were handled via the platform (2023: €2.2 billion). In 2024, 92% of direct trade was settled via Floriday, up 6% from 2023. User satisfaction is high: 82% of growers expressed satisfaction with using the screens in the platform (target: 80%). For buyers, it went up to 73% (target: 80%).

Floriday in figures

	2024	2023
Total direct trade turnover	2.8 mld	2.2 mld
Total copper-initiated transactions*	34%	25%
- plants	59%	41%
- flowers	8%	7%
Weekly transactions (direct)	338,000	272,000
Active in countries (number)	60	50
Satisfied growers with Floriday screens**	82%	82%
Satisfied buyers with Floriday screens**	73%	69%
Availability of Floriday	99.9%	

In 2024

- Total buyer-initiated transactions plants 59%
- Total buyer-initiated transactions flowers 8%
- Satisfied with Floriday screens: growers (82%) and buyers (73%)
- Availability of Floriday: 99.9%

Functional developments Floriday in 2024

- Clock presale supply and hardware (such as pots) available in Floriday Explorer
- Contracts function further extended
- Control of minimum delivery quantity and delivery time
- Ability to adjust weekly prices
- More sales opportunities for sales organisations
- Chat functionalities via Floriday Messenger

Leaf structure exotic plant

* This refers to the number of transactions initiated by buyers on/via Floriday.

** From 2023, the continuous measurement: 'How satisfied are you with features in Floriday?' has started.

Direct ordering by buyers

One of the 2024 goals was to encourage more buyers to place their orders through Floriday to make the sales and purchasing process more efficient. Direct ordering reduces errors and requires fewer actions from growers and buyers. For plants, the number of transactions through Floriday of buyer-initiated orders increased from 41% to 59%. For flowers, it was 8% of transactions, an increase of 1%. The reason for this modest percentage was that flower growers placed fewer offers on Floriday for the time being. This is partly because they traditionally follow a different (digital) working process with more day trading and direct agreements with buyers. It is expected that flower growers will also make the switch to Floriday in the coming years, especially as more and more buyers are connected to Floriday. Major exporters joined the platform in 2024. Internationally, more and more buyers also found their way to Floriday in 2024. We supported them with establishing contacts with growers and developed various functions in Floriday, such as being able to settle in US dollars.

New features and services

In 2024, we introduced several new features on Floriday. For example, growers and buyers can now use the Floriday Messenger chat functionality and, since this year, buyers can also access Clock presale offers in the Floriday Explorer. The contracts function was also improved last year for both growers and buyers.

In addition, buyers and growers can now track their orders in real time thanks to track & trace information from carriers. This gives them an up-to-date overview of the status and delivery of their time-sensitive order. Royal FloraHolland started this in 2024 and is in the early stages of this service. And Floriday offers more information on sustainability and certification, such as the use of (plastic) packaging. This will make it easier for buyers to comply with new guidelines on the use and registration of plastic use.

In addition, the following Royal FloraHolland services, among others, were added as an app on Floriday in 2024:

- Financial: RFH Finance, which allows members to make their BVO declaration (sales sold outside the auction) and it provides financial insight for growers/buyers.
- Logistics: RFH Select Delivery, which allows buyers to choose their own time slot for delivery.
- Auctioning: RFH Pre-Auction and RFH Auction, allowing buyers to do their clock preparation and clock shopping at Eelde.

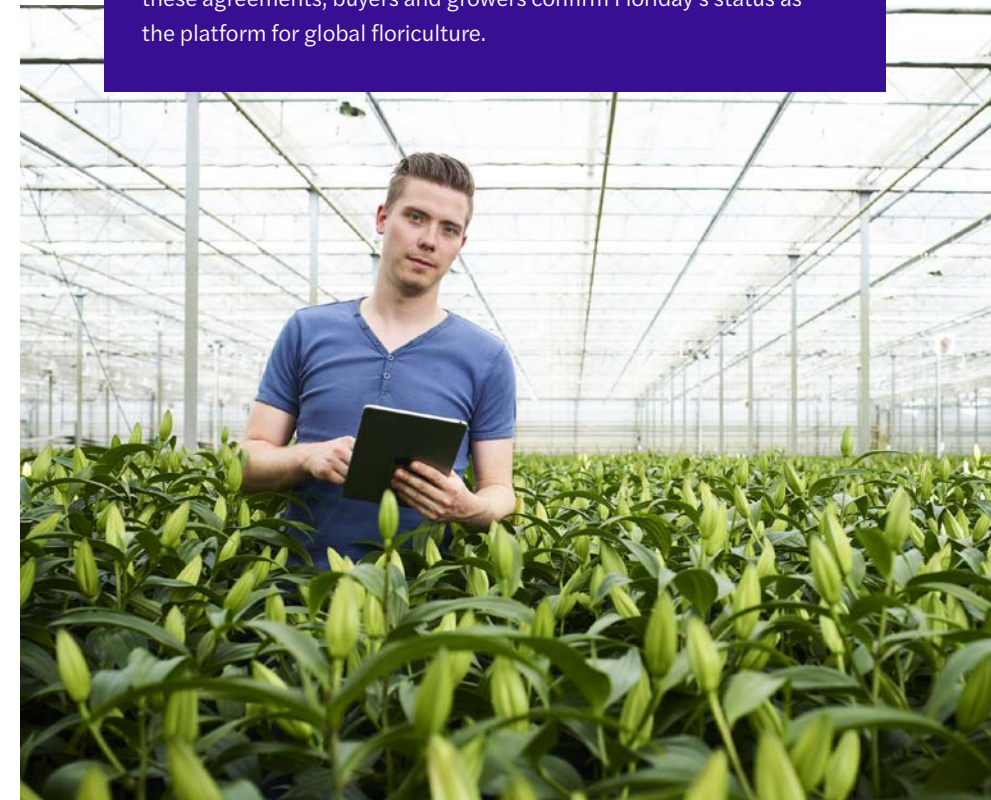
Support for grower sales strategy

In late 2024, we conducted several experiments with Auction Presales (KVV) to explore ways to better support growers in their day trade sales strategy. As part of this, growers were able to activate their KVV offer earlier, adjust the KVV rate, and suppliers were given the opportunity to lower the Auction Presales price throughout the day.

The results were generally positive, with growers reporting greater ease in responding to the market. Consequently, at the end of 2024, it was decided that growers would be permitted to increase the KVV rate to 80% and to both raise and lower the Auction Presales price. Building on these insights, we will introduce new services for day trade in 2025.

Covenant

In mid-July 2024, a group of buyers and Royal FloraHolland (on behalf of growers) signed a covenant agreeing on Floriday's ground rules, principles and governance. This creates clarity for all parties about responsibilities, processes and the method of decision-making. For example, it establishes that traders have a say in Floriday's development path, including in the form of a Sector Platform Consultation. The covenant lays the foundation for the continuity, digitisation and growth of the platform through cooperation. With these agreements, buyers and growers confirm Floriday's status as the platform for global floriculture.



Digital platform

Central Auctioning and Multi-transaction Auctioning

With Central Auctioning, we bring together the supply of flowers and plants by product type on a central clock. This way, we promote purchasing power, more stable pricing and higher buyer satisfaction.

On 21 November 2024, all local plant clocks of Naaldwijk, Aalsmeer and the other 'Plants' auction groups in Rijnsburg were merged into six new central plant clocks. Initial reactions from growers and buyers have been positive. Decisions on the continuation for flower clocks will be made in 2025.

Another development on the clock was a pilot with Multi-transaction Auctioning (MTV) on central rose clock CO8 that has been running since the summer. MTV is a way of auctioning where multiple transactions can be done on one clock stop (printing moment). The results show shorter auction time and better price formation. Changing the break times during auctioning also contributes to shorter auction time and provides more buying power.



In 2024

- Average number of clock transactions per auction day: 99,906 (2023: 100,216)
- Percentage of clock volume auctioned centrally: 28% (2023: 4%)

Hortensia (Hydrangea Magical Revolution Blue)

Digital platform

Data- and cybersecurity

Data safety and cybersecurity are a priority in all our digital activities and projects. Trust in data and data protection are important conditions for customers to use our services. In addition, digital resilience of Royal FloraHolland and that of the floriculture sector is of great importance to ensure continuity of trade.

Data security

Data security and integrity are set out in the Royal FloraHolland information policy. This guarantees the way data is used and disseminated. Royal FloraHolland complies with laws and regulations on privacy, competition and data security. A data committee, consisting of growers, buyers, a transporter, an independent data expert and Royal FloraHolland employees, oversees the implementation of the data and information policy. In 2024, the data committee met four times. Topics covered included the new Floriday Messenger function, opportunities for deployment of AI (and the risks), the IT structure (data flows) and connecting transporters to Floriday.

The data committee also commissioned an annual audit of policy and data management, carried out by an external data auditor. That concluded that by 2024, Royal FloraHolland has effective management measures in place to ensure the confidentiality of 'strictly confidential data' in the Floriday digital platform and to comply with the principled principle that data is non-reducible, as set out in Royal FloraHolland's information policy. This time, the end customer reference in the Exporter module, the newly developed Floriday Messenger and contracts were also tested. Specifically, strictly confidential data such as contact details, call-offs on contract were checked, sticker price and end-customer data.

Cybersecurity

In the floriculture chain, parties are closely linked. If one of the partners is affected by a cybersecurity incident or data leak, the whole sector suffers. For this reason, Royal FloraHolland sets high security requirements for its digital services. In 2024, as in 2023, there were no cybersecurity incidents with significant impact on business processes. We invested in employee awareness, strengthened our password policy, invested in secure coding and had a bug bounty- programme where we invited ethical hackers to test our cybersecurity.

In 2024

- Judgement data audit: positive
- Incidents with significant business impact: 0

Cyber resilience centre

Royal FloraHolland is one of the initiators of the Cyber resilience centre Greenport, which contributes to a digitally secure horticulture sector. Member organisations receive help to improve their cyber security, including expert advice, training and threat information. Growers and buyers can take out cyber subscriptions to increase their cyber-awareness.

A cyber crisis exercise was organised among cyber subscription subscribers in 2024.

Continuity

The continuity of the digital platform, (digital) auctions and logistics is essential for the entire floriculture sector. We record every minute the digital platform is unavailable, including during scheduled maintenance. Over 2024, there were three outages, with a total downtime of 50 minutes. This means we are meeting our targets of 99.9% availability of Floriday. For auctioning, (digital) availability in 2024 was 99.79% (target: 99.33%) and for logistics 99.87% (target: 99.50%). The latter two relate specifically to how often the logistics or auction process was hampered by IT failure.

Digital platform

Financial Services

Royal FloraHolland offers various financial services to growers and buyers to ensure the safe financial handling of transactions.

For example, we ensure that growers trade safely and worry-free, thanks to the 100% payment guarantee and keep a grip on their finances with various financial dashboards.

Buyers can easily pay for flowers and plants purchased via Royal FloraHolland in various ways. Via deposit in the eWallet, on account or in arrears, the payment process is always secure and fast, transactions and billing details are available in RFH Finance dashboards.

eWallet

The eWallet is a digital wallet for buyers who cannot or do not want to pay via direct debit. As such, the eWallet provides solution and flexibility for a wide range of buyers. In 2024, the eWallet was further expanded to provide insight into the balance for direct trading in Floriday. It is also now possible to replenish the balance in the eWallet immediately if a buyer suddenly wants to buy more than the balance in the eWallet allows.

To facilitate direct trade contacts between Saudi Arabia and Africa, for example, growers and buyers will be able to make specific agreements on how to pay from 2024. This was started as a pilot in 2024 and will be expanded further.

Risk Based Pricing

100% payment guarantee is one of the pillars on which our cooperative rests. To guarantee this for our members, we need to mitigate risks. At the same time, we want to keep our platform available to as many buyers as possible even when they (temporarily) have a less positive financial rating. We now offer the space to do so. We will mitigate the risks from 1 January 2025 with a limited surcharge percentage on services and other specific payment methods such as the eWallet.

RFH Finance: expanded and in Floriday

In 2023, we developed 'My financial overview' for growers and buyers. In 2024, this functionality was enhanced and supplemented with additional options. The financial service is now available as an app on Floriday under the name: RFH Finance. In this app, members also have the option to view the value of their membership certificates and to report and process their 'Outside the Auction' turnover (BVO).

In 2024

- Guaranteed payments to growers : 100%
- Timeliness of invoicing: 100%
- New app: RFH Finance ('My Financial Overview')
- Risk Based Pricing: wider (financial) access for buyers
- eWallet further extended

Agave Attenuata – Foxtail agave



Cardboard-free thanks to reusable support shelving

Aart Buizer

FRESCO FLOWERS

“Sustainability is an essential part of our strategy. As a major player, we receive many flowers and use a lot of packaging. To illustrate: hundreds of thousands of flowers in packaging pass through the company. We recently completely eliminated our cardboard collars. This is partly thanks to Royal FloraHolland, which has developed a reusable display rack. In addition to being cardboard-free, the reusable display rack also makes a positive contribution to the presentation of our product.”

The multiple-use rack saves our company a lot of waste

I suffer less damage to my flowers

My product is better presented by using the reusable display rack

BUYER

Logistics platform

Order picking and Select delivery

Royal FloraHolland is evolving from location-specific to integrated logistics across its branches. The goal is to implement standardised processes and a unified IT infrastructure at all hubs, encompassing physical deliveries of clock auction purchases, direct day trading and a combination of both.

In doing so, we use data more often to arrange the logistics process more efficiently and sustainably. Together, this enables us to deliver better quality and faster. This is how the logistics and digital platforms meet.

Order picking and Select delivery

Royal FloraHolland is gradually adapting the old distribution process at all hubs since 2022. Instead of 'supply-driven distribution', we are switching to 'demand-driven order picking'. This gives buyers more control over the delivery times of the flowers and plants they buy. In June 2024 Naaldwijk switched completely to order picking, while Rijnsburg had switched a year earlier. Since the second half of 2024, 100% order picking applies to plants at Aalsmeer. The gradual introduction of flower order picking in Aalsmeer is currently planned for 2025.

Select delivery

Thanks to order picking, Royal FloraHolland is able to deliver more according to customer needs. With Select Delivery (time slot delivery), buyers indicate in Floriday whether they want to receive the flowers and plants earlier or later than the regular logistics process. They can specify per day, hub, product and buyer plate which time period they want to activate, thus setting up their process efficiently. Royal FloraHolland's logistics process adapts accordingly. With this spread, we strengthen Royal FloraHolland's logistics process. At the same time, growers can still independently decide which product to offer and when.

In 2024, Royal FloraHolland made more variety of time slots available. The goal is to deliver at least 98% of all transactions before or at the agreed delivery times.

Select Delivery was expanded in 2024 in Rijnsburg and Naaldwijk with Priority (formerly Spoodkoop). Here, products are selected immediately and delivered to the buyer within 60 to 90 minutes.

In 2024

- Transactions delivered within the agreed end time: 96.2%.
- Number of flowers and plants traded on busiest day: 38 million
- Number of delivery complaints reported: < 0.2%

Quality of logistic services

We measure the quality of logistics services based partly on the number of complaints from customers who receive late or the wrong product. This number remained again below 0.2% based on the number of transactions. We thus achieved our target.

The target is also that we deliver 98% of the transactions within end time. For direct flows, we stayed within this range in 2024. When delivering products within the right time period (Select Delivery), we were at 96%.

We hope by varying tariffs to motivate buyers to choose later time slots if possible, so that there is more spread in terms of supply of work and peaks on the day are dampened.

The busiest day

May 21, 2024, the day after Pentecost and the period when Europe celebrates its mother days, was the busiest day for Royal FloraHolland in its 112 years of existence. We started auctioning and delivering at five in the morning. We had a record number of transactions (clock and direct) of 315,744 and Clock presales had a record daily turnover of 2,907,577 euros. With a delivery reliability of 99.8%, Royal FloraHolland can look back on a busy and successful day.

Channel-independent logistics

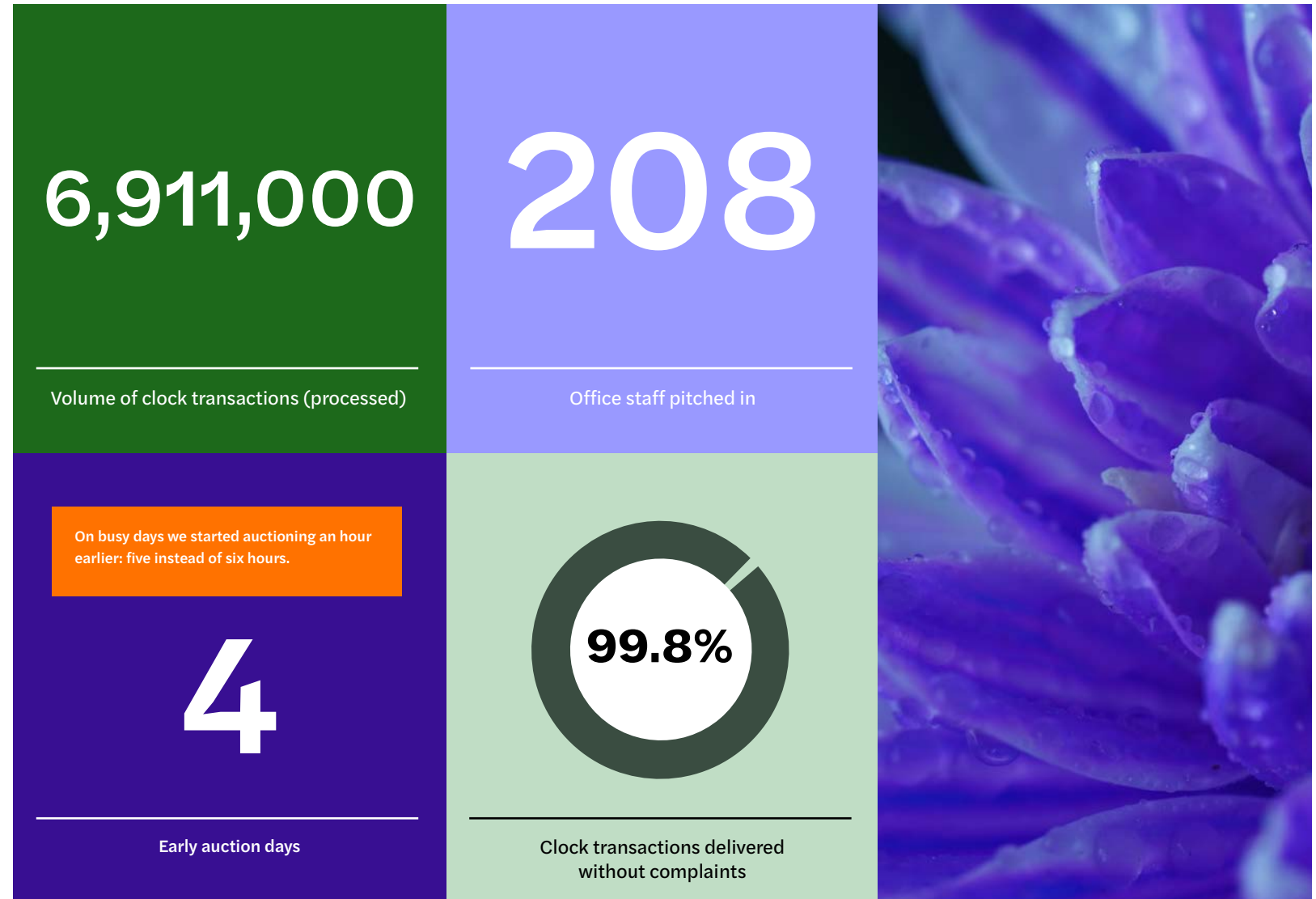
With the transition to order picking and Select Delivery, Royal FloraHolland meets the desire of growers and buyers for more efficiency and simplicity. Transaction order sizes also decreased slightly in 2024. Buyers purchased their products in smaller quantities. As a result, the cost per order increased. With channel-independent logistics, Royal FloraHolland is better able to meet demand for acceptable costs through customisation. It does not matter whether a flower or plant is sold directly, via Clock presale or via the clock. Royal FloraHolland ensures one logistic flow to and between the hubs and to the buyer. For example, growers put their unsold flowers or plants in stock at Royal FloraHolland, close to the buyer. This saves costs at the nursery and in transport and encourages sustainable working.

Peak period

Every year, the floriculture sector faces peak pressure around Valentine’s Day and in the months of April, May and June. It creates extra pressure on Royal FloraHolland’s logistics processes. Since 2023, Royal FloraHolland has been working according to a peak plan: Let’s peak together.

In 2024, again in consultation with growers and buyers, we took measures to better handle the peak pressure. We monitored the maximum availability of logistics resources. We mentioned expected end times in advance on the website and in the Royal FloraHolland app. Royal FloraHolland office staff worked peak shifts to support their colleagues and provide customers with the agreed service. Thanks in part to these measures, there were hardly any delays during the busy period in 2024.

Results peak period 2024



Logistics platform

Making logistic resources more sustainable

Every year, Royal FloraHolland -from its pivotal role in logistics resources for the entire chain- starts new initiatives to reduce the use of (single-use) plastics and cardboard in packaging for flowers and plants. More than 90% of flowers are traded in multi-use containers.

Cooperation in the sector

In July 2024, Royal FloraHolland joined the Horti Sustainable Packaging Initiative (HSPI). In this initiative, thirteen suppliers work together to make flower and plant packaging more sustainable. This makes it possible to contribute to reducing the environmental impact of packaging through different material use and standardisation. The initiative is in line with new market requirements and EU legislation. In addition, Royal FloraHolland has long been participating in the European initiative to develop the multi-use Euro Plant Tray and put it into use in various countries.

Sustainable: multi-use packaging

The use of multi-use transport packaging becomes even more important due to new EU legislation. Together with the sector, Royal FloraHolland is working intensively on new solutions. Based on buyers' desire to use less single-use cardboard, together with the VGB (The Association of Wholesalers in Floricultural Products) and FPC Roos (FloraHolland Product Committee) we developed the low reusable support shelving on a flower bucket. This saves more than 100,000 kilos of cardboard every year. After the successful introduction for product group Roos, the Lisianthus product group also switched to this new low multi-use set-up rack at the end of September 2024. In addition, on the initiative of the gerbera growers, the development of a raised small bucket has started, potentially eliminating the need for one-off cardboard collars to protect gerberas.

In 2024

- Commissioning of multi-use set-up rack: saving 100,000 kilos of cardboard



Logistics platform

Real Estate

Royal FloraHolland operates across four locations in Aalsmeer, Naaldwijk, Rijnsburg, and Eelde, managing a total area of approximately 3.6 million m², of which 1.2 million m² is built-up. A portion of this land and real estate is utilised for our own logistics operations and the storage of logistical resources. Additionally, we lease space to trading companies, import processors, transport providers and grower collectives.

Leasing of land and buildings

In 2024, Royal FloraHolland's real estate portfolio accommodated 560 tenants under approximately 850 lease agreements. The occupancy rate of leased real estate in 2024 was 98.5%, compared to 98.2% in 2023. Customer satisfaction surveys revealed that 53% of tenants (2023: 58%) were satisfied or very satisfied with the accommodation and services provided at our locations. Rents are indexed annually based on the Consumer Price Index (SN), which was set at 3.7% for 2024.

In January 2024, a court ruling on a lawsuit filed by certain tenants concerning the 2023 rent indexation determined that the rent increase should be set at 8%.

From 1 May 2024, a new partner has taken over the management and maintenance of our land and buildings.

Reducing energy consumption

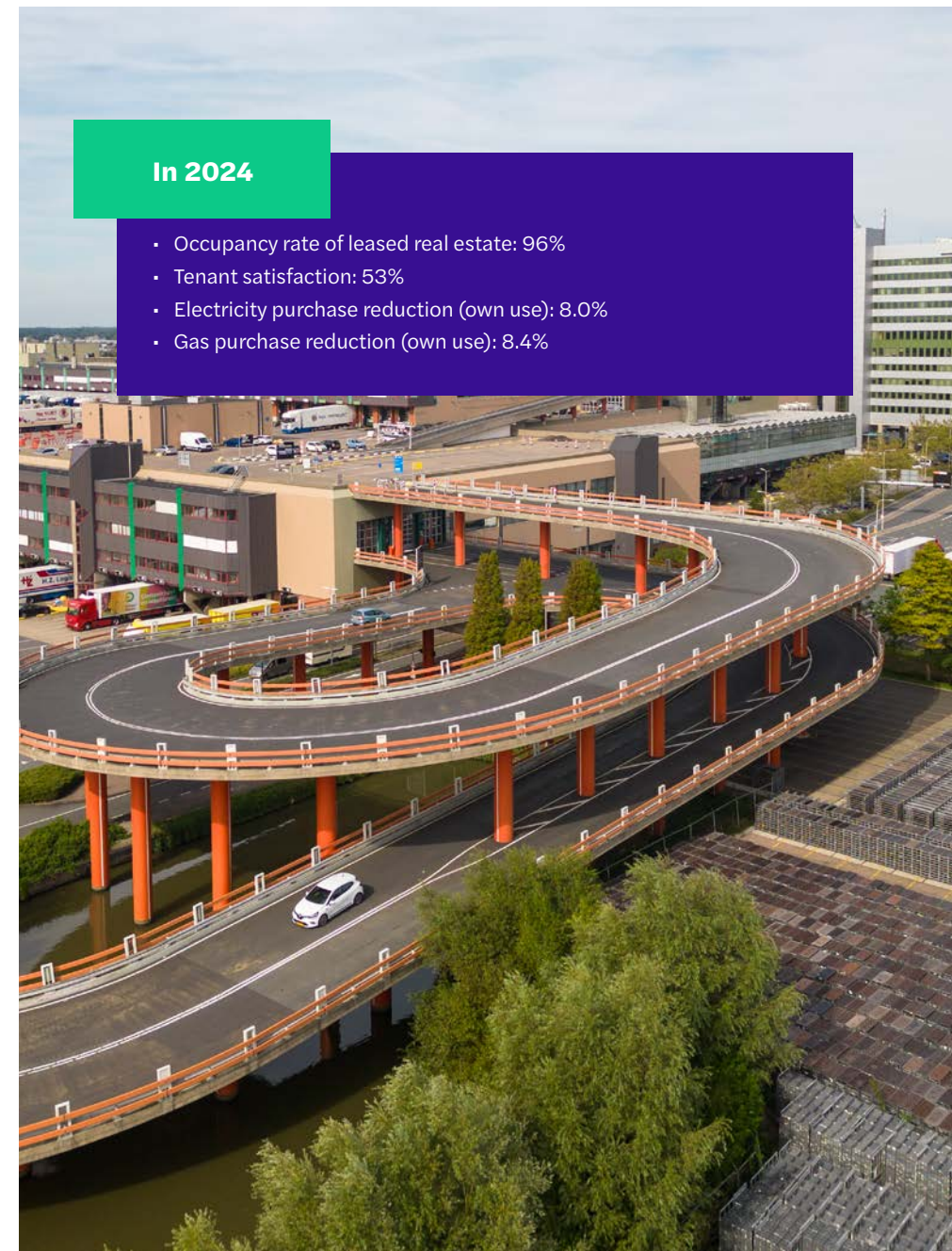
Electricity consumption for our own operations decreased by 8.0% in 2024 compared to 2023. Additionally, our gas purchases fell by 8.4% in 2023/2024, partly due to the use of geothermal energy and sustainability investments, such as smart docks. For further details, please refer to the Sustainability Report on [page 85](#) and following.

Development

To meet demand for suitable rental space and enhance our services, we are developing new multifunctional, sustainable properties and redeveloping existing areas. As part of this process, we are disposing of certain older buildings and will be creating an additional 135,000 m² of floriculture business space in Aalsmeer-Oost over time. By the end of 2024, a lease agreement and rental offer had been signed for the development of 20,000 m².

In 2024

- Occupancy rate of leased real estate: 96%
- Tenant satisfaction: 53%
- Electricity purchase reduction (own use): 8.0%
- Gas purchase reduction (own use): 8.4%



Logistics platform

Floriway

As part of the floriculture logistics chain, transport is a crucial link from grower to buyer. Floriway enables buyers and growers to organise the transport of floriculture products efficiently and sustainably. The aim is to make optimal use of the available loading space of trucks: fewer transport movements, lower costs and less environmental impact.

Scenarios explored

Floriway's results in 2022 and 2023 were disappointing. When this did not change in the first half of 2024, partly as a result of complaints about the quality of service, it was decided to thoroughly investigate how Royal FloraHolland does get the transport business financially, commercially and operationally healthy and whether this is possible. All alternatives and scenarios were considered, with support from a specialised external consultancy. Hard precondition was the realisation of profitability in the shortest possible term. The independent study showed that restructuring and repositioning was the most optimal scenario. The restructuring of the transport company should lead to a significant increase in productivity based on a clear plan for the future. With the repositioning, we want to strengthen cooperation and synergy between Royal FloraHolland and Floriway. This includes integrating Floriway's internal logistics with Royal FloraHolland's that should ensure more efficient, reliable and sustainable distribution within the hubs. The study reaffirmed that Floriway can eventually make a positive contribution to the logistics process in the floriculture sector and strategically add value for Royal FloraHolland.

Improvements but still losses

In the second half of 2024, the new management team implemented measures that already started to pay off in 2024. Customer service was improved, the (indirect) cost structure was adjusted and the docks in the hubs were centralised (Naaldwijk and Aalsmeer). In 2024, Floriway became fully owned by Royal FloraHolland with the acquisition of the last 15% of the shares.

Floriway's loss in 2024 was similar to 2023 and if the result is adjusted for one-off costs (including provision for reorganisation and one-off goodwill impairment), the loss decreased slightly. We had to lower the valuation slightly. The loss deteriorated in the first half of 2024 compared to 2023, but we also saw that in the second half of 2024, after changes were made, Floriway was able to improve service quality, absorb the volume decline and improve productivity on top of that compared to 2023. This visible improvement in results gives confidence for the further implementation of the plan and continuation of results improvement in 2025.

In 2024

- Research scenarios and decision for Floriway into the future
- New management started
- Improved customer satisfaction
- EBITA: €4.2 million negative



Risk management and control

Managing risks and exploiting opportunities

Royal FloraHolland has clear ambitions, and a strategy and objectives for achieving them. There are both opportunities and risks. In achieving its objectives, Royal FloraHolland wants to optimally exploit opportunities and mitigate risks to the greatest possible extent.

Based on the characteristics of the sector, position Royal FloraHolland occupies in the floriculture value chain and (as a company) within our cooperative, we are exposed to various risks. In order to carefully represent the interests of our members and given the systemic role that Royal FloraHolland fulfils within the cooperative and sector, where many parties have partially or fully aligned their business model and/or processes with Royal FloraHolland, we are generally cautious about taking risks. It is therefore crucial to recognise relevant risks in time and respond to them properly.

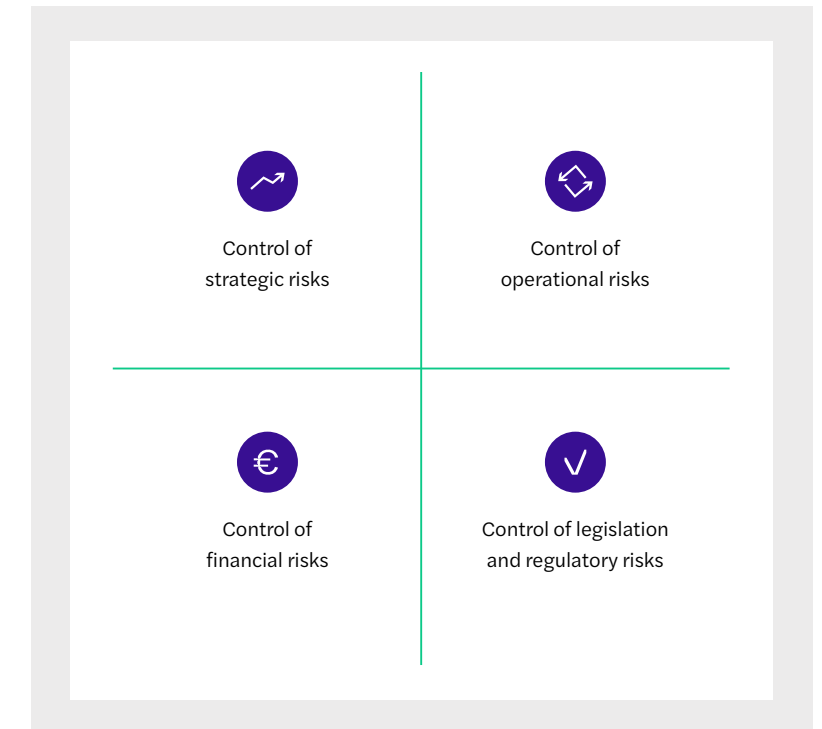
Risk management

Royal FloraHolland aims for a culture in which taking responsibility for risk management is central. It is therefore important that risk awareness is present in all layers of the organisation. The expertise, attitude and risk awareness of employees play an important role in this. With targeted training and an open dialogue about risks and control (including through 'learning tables'), we are working to further increase risk awareness. This subject is also given an important place in the interpretation of 'Reliable', one of our four core values.

Royal FloraHolland has also formulated a clear risk appetite (i.e. risk acceptance level) for each risk category. That risk appetite expresses the type and size of the risks that the organisation is willing to accept. The appetite therefore reflects what the organisation can bear and is willing to tolerate. The table on the next page shows the risk acceptance level for each risk category.

Strategic risk assessments are carried out periodically with Royal FloraHolland's management team. For important risks, we then assess the extent to which they fall within the risk acceptance level and which risks may prevent the successful realisation of objectives. Based on this, we determine whether additional mitigating measures are necessary. Periodically, Royal FloraHolland evaluates progress.

Risk management



Risks with measures and impact

The risks are divided into risk categories. The table includes examples of topics relevant from the dual materiality analysis (see also paragraph 5. ESG risks).

The risk acceptance level for ‘environmental’ has changed compared to last year. Royal FloraHolland accepts minimal risk regarding sustainability for its own organisation. Royal FloraHolland also expects to play a more far-reaching role in the sector in this respect.

1. Market and environment

Implementing the strategy demands a lot from the organisation, employees and stakeholders. Some risks are impossible or difficult to influence because they are outside our sphere of influence. Think of geopolitical tensions, structurally high(er) energy prices and changes in supply and demand.

However, we do monitor all risks closely. The ongoing war between Russia and Ukraine and tensions in Israel bring risks that Royal FloraHolland cannot control. It has an impact on the organisation, growers and buyers. In addition, structurally high(er) energy prices and relatively high inflation affect the entire floriculture chain. The impact on Royal FloraHolland is described in the financial risks below.

2. Strategy

Royal FloraHolland determines its strategic policy by continuously working together with growers and buyers to develop a sustainable and future-proof B2B platform. In doing so, the associated risks are closely monitored to ensure that the strategy can be realised effectively. The organisation establishes clear responsibilities and reporting lines to ensure management and control of strategic projects. This ensures that policies are consistent and focused.

Risk category		Risk acceptance level					Relevant topics	
		Avers	Minimal	Careful	Open	High		
1) Market / environment							Not / difficult to influence by RFH	
2) Strategy	Policy				●		Strategy / Organisation & Culture (End) customer satisfaction Added value / Member satisfaction	
	Implementation			●			Order picking / Centralised auctioning	
3) Auctioning and logistics (operational)				●			Efficiency and standardisation (MDR) Clock/logistics process	
4) Financial				●			Financial stability Credit risk Fiscal risk	
5) ESG	Environmental		● ←-----				Climate change mitigation buildings, installations and transport (ESRS E1) Circularity of packaging (ESRS E5)	
	Social	●					Social Working conditions RFH (ESRS S1) Collaboration and advocacy (ESRS G1) Engagement	
	Governance	Compliance	●					Commitment Governance Compliance Resilient floriculture (ESRS G1) General Data Protection Regulation (GDPR)
		Safety	●					Safety Physical and social safety
	Cyber security	●					Cyber security Data reliability and security (MDR) Network stability / ICT continuity Cybercrime	

3. Auctioning and logistics (operational)

Significant operational risks relate to the logistics of the auction process, transport, disruptions, incidents and calamities. Risks can arise from physical insecurity, such as collisions or fire, but also from problems in the clock process logistics process or with the infrastructure, such as IT disruption, power failure, water damage and so on. We manage these risks on a site-by-site basis. In doing so, various parties in logistics, commerce, security, company emergency response and company fire services work together.

To respond more adequately to emergencies, BNP Aalsmeer has been further developed on the basis of the integrated company emergency plan (BNP) of the Naaldwijk location. Company emergency plans are carefully prepared with the aim of ensuring the safety of our employees, suppliers, customers and other visitors to the physical hubs in case of emergencies.

The plan is designed to provide an effective integrated response by the company emergency response team, security, company fire brigade and emergency coordinator to various emergencies such as fire and ammonia leakage and a clear information and scaling-up structure to the local crisis team. In 2025, this will be further developed for location Rijnsburg. Various exercises also took place again in 2024 to train the emergency organisation for unexpected emergencies. This year, not only exercises with the internal Royal FloraHolland organisation, but also together with customers in Naaldwijk.

For IT disruptions in the logistics and auction processes, information, scaling-up and communication lines have been simplified. This has created uniformity in the method of scaling up to the crisis organisation and the method of communication during disruptions. By 2024, we will have further professionalised the way we work during P1 disruptions (serious incidents that require immediate attention due to their significant impact on business processes and customer satisfaction) further professionalised by including 24/7 availability from Functional Application Management.

For crisis situations, Royal FloraHolland has set up a crisis organisation that can be activated at any time. Per location there is a location action team (LAT) to manage local calamities. For crises with impact on all locations and/or the (international) floriculture chain, there is a crisis management team (CMT). In 2024, the LATs met for a power failure in Rijnsburg. The composition of the CMT was updated at the end of 2024. Due to this change, another integral crisis exercise will take place in early 2025. The purpose of this exercise is to better prepare the organisation and the CMT better prepared to effectively handle crisis situations, unexpected events and we are better prepared to manage a real crisis and minimise its impact. It also tests our crisis plans, strengthens cooperation, improves decision-making and identifies potential vulnerabilities.

4. Financial

Financial risks include risks relating to liquidity, interest rates, currencies, commodity prices, credit risk on non-financial and financial counterparties, real estate and participations. The general risk policy aims to identify, analyse and, where necessary, mitigate financial risks in order to prevent possible negative financial results and to comply with covenants. External experts are called in where necessary.

Royal FloraHolland has set up a Treasury Committee and a Commodity Risk Committee. Both committees are multidisciplinary teams. They monitor and discuss the implementation of the relevant financial risk management policy, including testing it against the set frameworks. The committees also advise on the extent to which the frameworks are still adequate and whether they should be consciously deviated from, given special market circumstances or otherwise relevant developments in the market. Both committees are chaired by the CFO and feedback is also given to the Executive Board as a whole.

Liquidity

Taking into account the credit facility of € 210 million, there is sufficient liquidity in the short term. Of the credit facility, € 16 million has been drawn by the end of 2024. The remaining available credit margin is thus well above the minimum credit margin that must be maintained according to Royal FloraHolland's financial policy. For this credit facility Royal FloraHolland amply meets the financial covenants set by the banks. The current facility runs until March 2029, with an option to extend twice for one year.

Interest

As no structural use is made of bank financing, there has been no need for active interest hedging in recent years. Financing requirements are determined on a regular basis and also any consequences for interest rate hedging. Management measures aim to limit the fluctuations of the (net) interest costs and to minimise interest rate risks. Interest rates on member certificates are set annually by the management and are a derivative of market interest rates.

Currency

Royal FloraHolland has limited open foreign currency positions in US Dollars and British Pounds. Given the low volume of positions held, no currency contracts or other financial instruments are currently used to mitigate currency risk. The open positions are actively monitored.

Commodity prices

Royal FloraHolland has a price hedging policy for gas and electricity that is regularly reviewed. Energy price developments are discussed periodically and it is ensured that implementation of the policy actually takes place within the frameworks provided by this policy. The policy is primarily aimed at cushioning the impact of energy price volatility on Royal FloraHolland's profit and loss account.

No active hedging policy is applied for other relevant commodities. However, risks ('exposures') and market price developments of other commodities are discussed regularly. These include prices of, for example, cardboard, plastic and aluminium.

Credit risk on non-financial counterparties

The debtor risk is very actively managed at Royal FloraHolland. This results in a low percentage of past due items. In addition, the risk regarding daily collection from customers is hedged by means of (a combination of) bank guarantees, prepayments and credit insurance.

Credit risk on financial counterparties

Cash and cash equivalents are held wherever possible with first-class international banks, i.e. banks with at least a 'single A' credit rating. Credit risk is managed by systematically monitoring the creditworthiness of financial counterparties.

Real estate

Royal FloraHolland monitors the main risks around the real estate portfolio, such as the risk that customers cannot meet their rental obligations (on time) and compliance risks. These risks are evaluated periodically. The management and various disciplines are closely involved in the real estate activities, enabling Royal FloraHolland to respond timely and effectively if necessary.

Participations

An annual financial risk analysis is performed to review the valuation of significant participating interests of Royal FloraHolland. In case of indications, it is assessed whether there are any impairments with regard to the participations. Significant findings from this analysis are closely monitored.

5. ESG risks

Royal FloraHolland carried out a double materiality analysis in 2024, mapping the impact and financial risks of sustainability in a structured manner taking into account the views of stakeholders and adhering to the principles of ESRS 1. Sustainability topics are divided into the internationally used Environmental, Social and Governance categories. The sustainability reporting section of this annual report addresses risks regarding efficiency and standardisation, data reliability and safety, climate change (climate change mitigation and energy) of buildings, installations and transport, biodiversity and ecosystems, material use and circular economy, own employees (health and safety, working hours and social safety), employees in the value chain and business behaviour including integrity (anti-corruption and anti-crime) and collaboration and advocacy. Also the risk of political decisions with major implications for the sector (e.g. certain subsidy schemes), so also mitigating risks to the sector through lobbying, is described in the CSRD report.

Environmental and Social

For the risks regarding ESG Environmental and ESG Social, we refer to the sustainability reporting.

Governance: Safety

For risks with regard to ESG Governance Security, we refer to ESRS-S1 in the sustainability reporting.

Governance: Compliance

Compliance encourages the organisation to act in accordance with applicable laws and regulations in its day-to-day operations. Where necessary, the department recommends tightening internal policies in this regard. The privacy policy, including the role of the Privacy Officer, the management of the whistle-blower hotline (SpeakUp) and the fraud policy have been assigned to Compliance.

The scope of Compliance with regard to laws and regulations, focuses on Royal FloraHolland's internal and honest business operations. Compliance monitoring focuses on compliance with Privacy legislation, Sanctions legislation (including sanctions against Russia) and compliance with the internal Customer Acceptance and Enforcement and Sanctions policy. Serious reports of (suspected) wrongdoing are handled according to the internal Fraud Prevention Policy, with Compliance taking the lead for the necessary investigation. With regard to fraud and corruption risk, in 2024 there are no signals of actual, alleged or suspected wrongdoing received by Compliance.

The signals received directly by Compliance through the SpeakUp or internal reporting routes focused on potential data breaches and behaviour, which were not in line with Royal FloraHolland's code of conduct. The signals came from various departments and could be adequately addressed and dealt with by Compliance and the Human Resources department with the responsible management. A report to the Personal Data Authority did not prove necessary.

Compliance continued to be actively involved in various projects and partnerships to promote sound business practices. Internal policies were tightened and recalibrated. Some examples include the Customer Acceptance Policy, where screening for existing customers was further expanded, and the Landlord Policy, where further professionalisation of management and enforcement on conditions was encouraged.

The public-private partnership (PPP) 'Resilient Floriculture Sector' has once again provided improved insight into the risks of violation and abuse of the sector and of our own organisation. The collaboration is creating increasing awareness of the various risks of undermining and enabling Royal FloraHolland to tighten measures.

Governance: Cybersecurity

The availability and security of our digital services are paramount at Royal FloraHolland. Security risks are constantly changing, partly due to foreign conflicts that also have digital repercussions. In addition, the Netherlands is also attracting increasing attention from cyber criminals. Appropriate security measures therefore have our continuous attention.

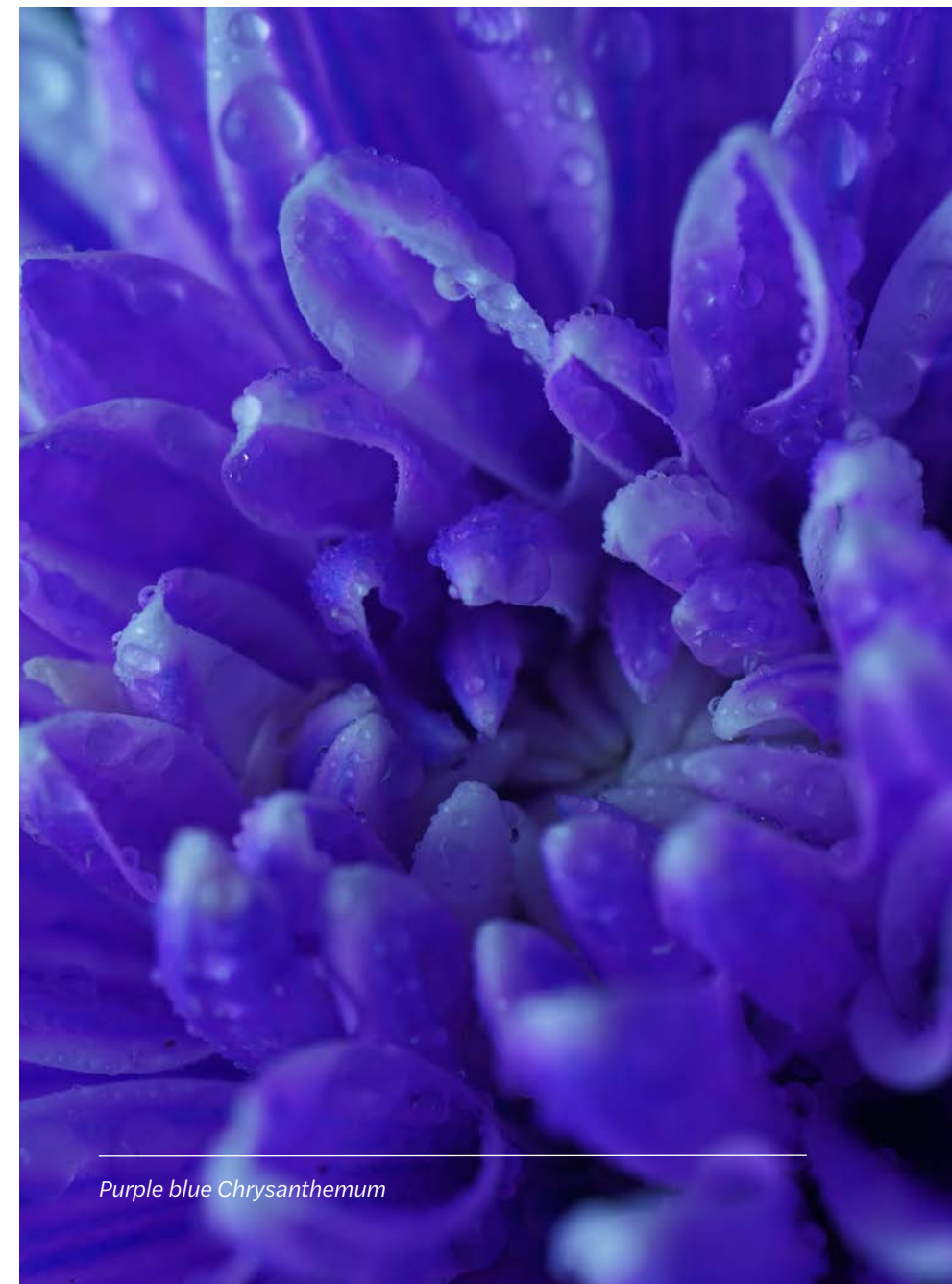
Royal FloraHolland has a Security Operations Centre that monitors our services 24/7. With this, we further scale up prevention, detection and recovery after any cyber threats.

User awareness among employees and improving cyber awareness in the floriculture chain remain our spearheads. We achieve this partly through awareness campaigns to staff and through our active participation in the Cyber Resilience Centre Greenport. We continue to invest extra in the right measures to keep our services safe for our members, customers, employees and chain partners. We also ensure recovery as soon as possible to ensure business continuity.

Governance: Internal Control Framework

In 2024, we started including sustainability-related aspects in the Internal Control Framework. The Internal Control Framework secures not only the processes relevant to financial reporting, but also those relevant to sustainability reporting. Its purpose is to ensure the quality of our internal and external reporting. The Internal Control Framework ensures that Royal FloraHolland has insight into the extent to which the organisation controls operational risks that could affect the reliability of financial and sustainability reporting. The control measures are tailored to the entire reporting process, documented and tested for effectiveness through independent audits and self-assessments.

The results of the controls are evaluated quarterly and self-assessments once a year with the Executive Board and reported to the Supervisory Board. Compensating controls have been identified for the identified areas for improvement in or limitations in the implementation of the management measures. With these improvement actions, Royal FloraHolland steers towards strengthening internal control. In this, we work closely with the external auditor who, in part, gains insight into Royal FloraHolland's internal control. Provided it is economically rational, maximum efforts are made to realise improvements through controls in automated systems and reduction of manual control operations. In 2025, we will also systematically check the proper functioning of the processes that must safeguard financial and non-financial data (such as sustainability data).



Purple blue Chrysanthemum

Corporate governance

[Governance structure](#)

[Composition of Board of Directors and management team](#)

[Composition and report of Supervisory Board](#)

[Report of the Supervisory Board](#)

[Report of audit committee](#)

[Report of selection and remuneration committee](#)

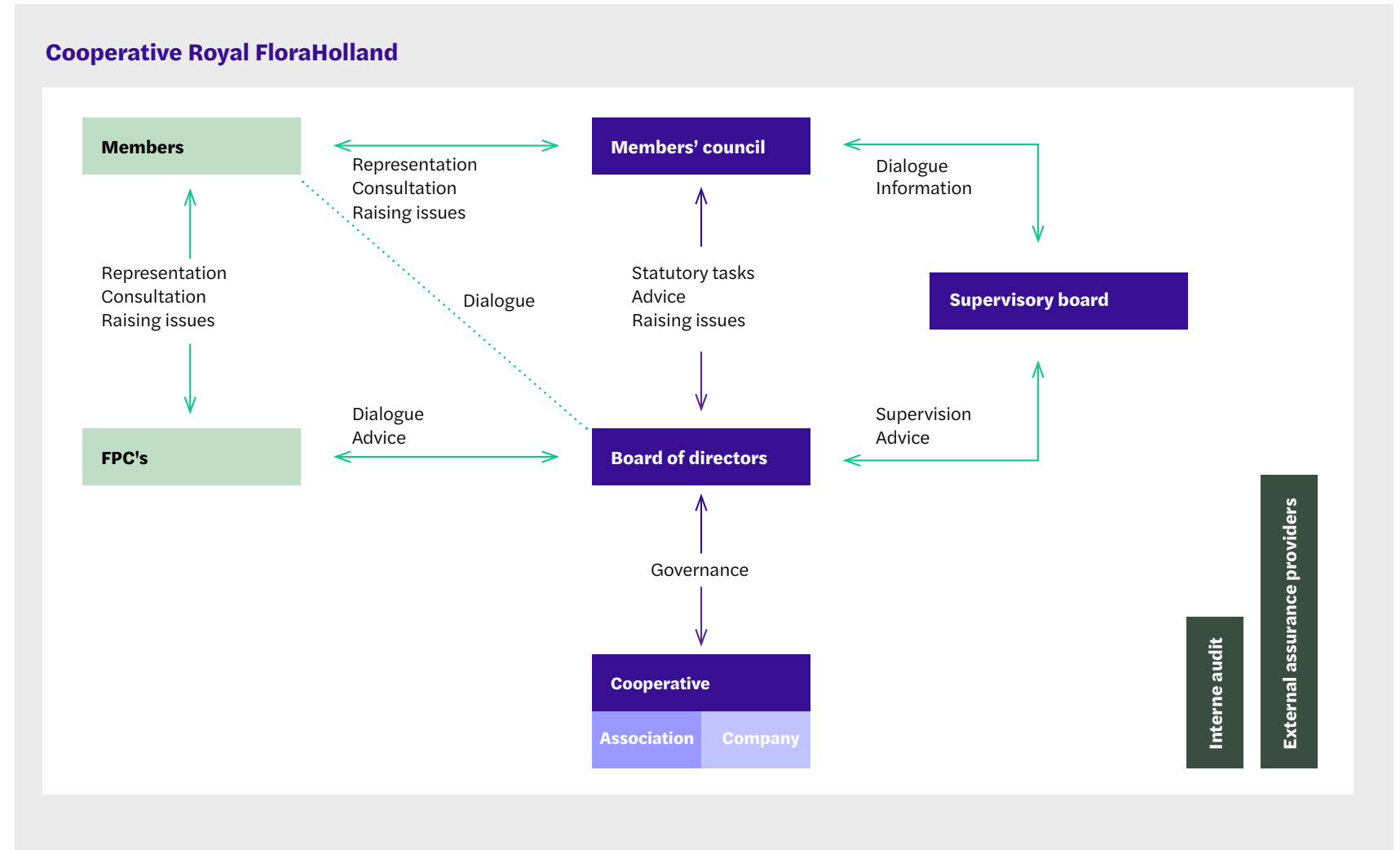
[Report of digital committee](#)

[Membership Council composition and report](#)

Governance structure

Due to its size, Royal FloraHolland is a structural cooperative with a Supervisory Board (SB) and a Works Council. Royal FloraHolland also has a members' council. This exercises the powers previously held by the General Meeting of Members (ALV).

How we are managed



Members' council

The members' council appoints the members of the Supervisory Board and determines their remuneration. The members' council also adopts the financial statements and the main membership fees. The members' council has a right of approval regarding investments greater than €20 million. Until 12 December, the members' council consisted of 37 active members. On 12 December 2024, new members were appointed to the members' council and the members' council consists of 43 members. Following nomination by the Nominating Committee provided for in the Articles of Association, they are appointed by the members at an annual Meeting of Members. The maximum term of office of Members' Council members is eight years (two times four years), which may be extended by a further two terms of two years if there are compelling reasons for doing so. Members of the members' council all have one single vote at the members' council meeting. The regulations stipulate that the formal members' council meetings (twice a year) are chaired by the Chairperson of the Supervisory Board and other meetings (four times a year) are chaired by the Chairperson of the members' council. In addition to these formal duties and powers, the members' council also has an advisory role to the management. The description of that role is laid down in the Regulations of the members' council. Often, such issues are first discussed in one of the four committees set up by the members' council. An important function of the members' council is the connection with the constituency: the members of Royal FloraHolland. Member sessions are organised for this purpose. Usually, both spring and autumn Member sessions are organised. Each round involves 10-15 meetings, both at home and abroad. Via the members' council, the members are involved in the decision-making process within the cooperative. Via the FloraHolland Product Committees (FPCs) and the Regional Advisory Committee (RAC). Within the FPCs, members are involved in the implementation of decisions and in the day-to-day business of the company. Each product group has an FPC of five to nine members and acts as a sounding board for both the company and its supporters on product-specific issues. The focus here is on product-related issues. Outside the Netherlands, the RAC from Israel advises on regional issues.

Management Board

Management of Royal FloraHolland is vested in the Executive Board provided for in the Articles of Association, and this body has final responsibility for managing both the cooperative and the company. The Articles of Association stipulate that the Executive Board must consist of at least two people: a managing director (CEO) and a financial director (CFO). In 2024 the CEO position was filled by Steven van Schilfgaarde and the CFO position by David van Mechelen. With effect from 15 January 2024, Pieter Bootsma joined the Executive Board in the role of Chief Value Officer (CVO). From 1 January 2025, the composition and division of roles within the Executive Board changed. This is explained elsewhere in this annual report. The articles of association and management regulations regulate the subjects for which the management requires prior approval from the Supervisory Board and/or the members' council. The directors, together with a number of senior managers, form the management team (MT) of Royal FloraHolland (MT-RFH). The MT-RFH is responsible for execution: the day-to-day management of the company and cooperative on the one hand and for implementing strategy on the other. The MT-RFH discusses (bi-)weekly all ongoing issues and the progress of strategy implementation.

Supervisory board

The Supervisory Board (SB) supervises the Executive Board's policy and general state of affairs in the cooperative. The SB also has an advisory function. Lastly, the SB is the employer of the Executive Board (appointment, dismissal, compensation). The SB has appointed from among its members an audit committee, a selection and remuneration committee and digital committee. In the committee meetings, there is room to discuss certain topics in depth. The committees do not have decision-making powers. They prepare the topics to be discussed by the SB. The SB must consist of at least nine people, the majority of whom come from the circle of members. The term of office is two times four years, with a possibility of renewal for two times two years if there are compelling reasons. The chairman must always be a member; this requirement does not apply to the position of vice-chairman. SB members are appointed by the members' council.

Governance codes

Royal FloraHolland follows the governance principles as laid down in the NCR's Cooperative Code (2019) intended for cooperatives. We also look at the principles of the Dutch Corporate Governance Code. Important elements in this include long-term value creation and an increased focus on risk management. In 2021, the Member Council, Executive Board and Supervisory Board adopted the Charter Governance Royal FloraHolland adopted. This charter, based on the Cooperative Code, once again concisely summarises the main cooperative principles and rules and makes them concrete, without deviating from the existing statutes and regulations. In parallel with this charter, some changes were also made to the Rules and Regulations of the members' council.

Strategy formation and implementation

Strategic policy formation at Royal FloraHolland proceeds as follows:

- The management prepares the strategic policy, translates it into plans and is responsible for implementation.
- The Members' Council tests the intended strategic choices of the management. This may lead to a formal advice or decision (depending on the subject).
- The SB approves the strategic policy. In the policy-making process on strategic issues, the council is actively and substantively involved.

Remuneration policy

Royal FloraHolland applies a transparent compensation policy. The Members' Council sets the level of compensation for the members of the Supervisory Board and provides the frameworks for the compensation policy of the organisation's top management. Supervisory Board members receive a fixed annual compensation and no variable compensation. Every three years, an external agency carries out a benchmark to determine whether the compensation of the Executive Board is still in line with the policy. Royal FloraHolland has used the median (that is, the average) of the general market for executives as a guideline for years. In practice, the compensation is slightly below the median of the benchmark. The Supervisory Board actually sets the compensation of the Executive Board. The compensation of the Board

of Directors then follows the salary increases of the Royal FloraHolland collective labour agreement. The compensation of the Executive Board has a fixed and a variable part. The maximum variable compensation for the CEO and CFO is 40% of the fixed salary. In addition, board members have the same fringe benefits (such as pension) as other employees. The amount of the compensation of the Executive Board and the compensation of the Supervisory Board is disclosed in the financial statements.

Diversity on the RFH Supervisory Board and Management Team

For years, Royal FloraHolland has aimed to have a male/female ratio in the SB and MT-RFH, with at least 30% of the positions occupied by women. By 2024, three out of nine Supervisory Board members within the SB were women (33%) and three out of eight board/MT members within the MT RFH (37.5%). These figures (both ambition and realisation) were also reported to the SER in the Diversity Portal. In 2025, this topic further elaborated under the leadership of the CHRO and discussed in the selection and compensation committee.

Royal FloraHolland management committees (internal)

Listed below in alphabetical order are Royal FloraHolland's main internal committees for managing the cooperative and the logistics and digital platform. This list (not exhaustive) includes committees in which decision-making in certain areas is prepared, separate from the formal governance and associated bodies.

Crisis management team

The crisis management team (CMT) meets in the event of a crisis at home or abroad affecting several business units or hubs, which has an exceptionally high impact on the safety and well-being of people or on the reputation of Royal FloraHolland. The CMT is the crisis team at strategic level. It is primarily responsible for ensuring the continuity of Royal FloraHolland's business processes and for focusing on the long-term effects of the crisis.

When the CMT is active, there is an adapted organisational structure to be able to act quickly and decisively. The crisis team then temporarily crosses the normal hierarchical lines. The entire organisation has to adapt accordingly. This means that the officers who have a task within the crisis organisation at the moment it is operational have responsibilities and powers that differ from the normal situation. Crisis response is always the highest priority. The CMT consists of the Corporate Operations Officer (COO, chairman), the Corporate Information Officer (CIO), the Chief Human Resources Officer (CHRO), the Chief Buyer Partnership Development (CBPD), the Chief Grower Value Management (CGVM) and the Manager of Staff Operations. If necessary, other officers are involved in the CMT.

Data Committee

The data committee (<https://www.royalfloraholland.com/en/data-comite-leden>) oversees the implementation of the data and information policy. The data committee also commissions an annual audit of policy and data management, conducted by an external data auditor. The data committee has the task of monitoring, on behalf of Royal FloraHolland users, the implementation of data policy (measures and principles) to discuss and evaluate.

It arranges for an external data audit to ensure that there is proper shielding of strictly confidential data in Floriday and the use of transaction data is not traceable to individuals. The integrity of the data is thus guaranteed and secure. With this, the Data Committee aims to provide confidence to Floriday users. The committee consists of two members from Royal FloraHolland, two customers, an ornamental grower, an academic expert, the Corporate Information Officer (CIO, chairman) and the Chapter Lead Data & Data Science.

Fraud prevention table

The fraud prevention table addresses both internal risks of fraud and corruption and external threats that could lead to an increase in this risk. The table is chaired by the CFO and has a multidisciplinary composition. In addition, its members include: Compliance Officer (secretariat), Chief Human Resources Officer, Manager Legal & Compliance, Manager Internal Audit & Risk, Risk Officer and Manager Security & Integrity Team. The table focuses on prevention, signalling/detection, repression and post-incident learning. Members periodically discuss and review the operation of fraud prevention policy measures. Where necessary, policy or process adjustments are proposed and submitted to the board for approval. After approval, these (modified) measures are implemented and the associated procedures are adapted. The policy is published on the intranet.

Internal Control Committee (Board)

The Internal Control Framework (ICF) aims to ensure that data is complete and accurate. The framework is drawn up by a collaboration of process owners and a multidisciplinary ICF team (Internal Controllers, Business Controllers, T&CI). The Internal Control (IC) Board coordinates the implementation of the ICF. The board oversees the strengthening and maintenance of the ICF and assesses the quality of the policy documents, process flow, RACI and management measures prepared for the processes. This professional quality review helps ensure that management and board can (continue to) rely on the ICF for a reasonable degree of assurance around being in control of the processes.

The main tasks and responsibilities of the IC Board are:

- monitoring of ICF documentation;
- monitoring follow-up of identified improvement actions;
- discussion of the results of independent reviews;
- consolidation of Self Assessment results into In Control Statements.

The IC Board consists of the manager Finance, Controlling & Accounting (chairman), the manager Internal Audit & Risk and the manager Business Control. In 2024, the sustainability programme manager was added to the Board in connection with the inclusion of quantitative CSRD data points in the ICF

Investment Committee

The investment committee advises the Board on the approval of investments, projects and contracts above a certain amount and on the discharge of completed projects.

The investment committee consists of the manager Finance, Controlling & Accounting (chairman), the manager Corporate Control, and the manager Procurement. In 2024, the manager Sustainable Development was added to the investment committee. The Finance department takes care of organisation and administration.

Consultation on Cooperative Affairs

The Consultation on Cooperative Affairs is a multidisciplinary body that focuses on issues surrounding membership registrations and compliance with the associated rights and obligations. The Cooperative Affairs Consultation's core task is to take decisions relating to membership on the basis of the Articles of Association, such as admitting new members and captains, processing mutations, deregistration, monitoring members' compliance with their obligations, including the BVO declaration, imposing sanctions and granting exceptions, such as early payment of balances on Certificate B, adopting decisions on deregistration and deregistration, (statutory) obligations and legal status of member captains at Royal FloraHolland. In addition, the Consultation on Cooperative Matters advises the management on cooperative issues and trends. If the Cooperative Affairs Consultation cannot reach a decision by consensus, there is the possibility of escalation. Decision-making on mandated tasks can in that case be escalated to the Executive Board.

The Cooperative Affairs Consultation Committee includes the Cooperative Services Manager (chairman), the Legal & Compliance Manager, the International Sales & Account Management Manager, the National Sales & Account Management Manager and the Accounting Manager.

Pricing Committee

The Pricing Committee focuses on Royal FloraHolland's revenue model and pricing policy. It has the mandate to review and approve or disapprove Royal FloraHolland rates based on business cases and the three Cs: customer value, costs and competition. The core rates are decided by the Executive Board together with the MT-RFH and approved by the Supervisory Board whereby the member rates must also be set by the Members' Council. The committee maintains an overall view of all propositions and services. It shapes the revenue model and pricing and monitors the governance of the pricing process. In doing so, it takes into account internal and external factors, representation from all business disciplines as well as interdependence and impact. In 2024, the Pricing Committee consists of the CVO (chairman) and the managers/experts from Sales, Marketing, Pricing and Finance, supplemented by any other business disciplines.

Sustainability Board

The Sustainability Board decides on all sustainability-related matters (ESG) for Royal FloraHolland as a cooperative, company and sector player. The Board meets every month. In particular, it discusses material sustainability topics (essentials), but also those that may become material in the coming years (potentials) and those topics (enablers) that Royal FloraHolland wants to get right without reporting on them externally. The Supervisory Board is periodically informed by the Executive Board about ESG-related decisions. The Sustainability Board consists of the Royal FloraHolland Executive Board, the MT-RFH members, the Real Estate & Facility Management manager, the Legal & Compliance manager, the Corporate Control manager, the Sustainability manager and the Sustainability programme manager, supplemented by guests, depending on the subject. The chairman is the Chief Growers Officer until 31 December 2024, replacing the CEO and then the CFO.

Review and sanction committee

The core task of the review and sanction committee is to assess and accept customer risks and award sanctions. The task focuses on individual case level and the application of policy rules, as named in the customer acceptance policy and the enforcement and sanction policy. The committee is authorised to accept or reject (potential) customers with increased customer risks, impose additional management conditions on (potential) customers and accept deviations from the policy at case level. The review committee's responsibilities include periodically informing the Executive Board and the MT-RFH on the operation of the customer acceptance policy and communicating the customer acceptance policy and enforcement and sanction policy to the business and down the line.

The Review and Sanction Committee includes the manager International Sales & Accountmanagement (chairman), the manager National Sales & Accountmanagement, the manager Cooperative Services, the manager Accounting and the manager Legal & Compliance.

Composition of Board of Directors



Pieter Dirk Bootsma

Nationality	Dutch
Year of birth	1969
Role	CEO
Gender	He/His
Year appointed CEO	2025
Year appointed CVO	2024

Education

- PhD Business Engineering & Management Science – Universiteit van Twente

Main administrative/management experience in other organisations

- 2022-2024 Chief Strategy Officer AirFranceKLM Group, member Executive Committee
- 2019-2022 Chief Revenue Officer AirFranceKLM Group, member Executive Committee
- 2013-1019 EVP Commercial & Revenue AirFranceKLM Group, member Executive Committee
- 2011-2013 EVP Marketing, Revenue Management & Network AirFranceKLM Group
- 2004-2011 SVP Pricing & Revenue Mangement, KLM & AirFranceKLM Group

Current board positions

- Chair of the Advisory Board MBA Sustainable Leadership Academica Amsterdam

Expertise management

- Strategy
- M&A and alliances
- Logistics
- Commercial, pricing
- Digital and distribution

ESG expertise

- Data reliability and security
- Collaboration and lobby
- Efficiency and standardization
- Resilient floriculture sector



David van Mechelen

Nationality	Dutch
Year of birth	1973
Role	CFO
Gender	He/His
Year appointed	2018
Year reappointed	2022

Education

- Mechanical Engineering, Applied Dynamics, Twente University - Ir./MSc
- Management Accounting & Financial Management, Vrije Universiteit Amsterdam – CMA-CFM
- Treasury Management & Corporate Finance, Vrije Universiteit Amsterdam – RT (Chartered Treasurer)
- Political Science & Business Administration, Institut d'Etudes Politiques (Bordeaux) & Twente University
- Supervisory Board Cycle, Nyenrode Business University

Main administrative/management experience in other organisations

- 2015-2018 – KLM Royal Dutch Airlines – SVP Group Controller KLM
- 2009-2015 – Transavia – CFO
- 2006-2009 – KLM Royal Dutch Airlines – Director Corporate Finance & Treasury
- 1998-2006 – KLM Royal Dutch Airlines – Various management and business controlling positions
- Board member of KLM pension fund and Transavia pension fund

Expertise management

- Strategy & Strategy implementation
- Finance
- Business performance management
- Operational & digital transformation
- Logistics
- Sustainability/ESG

ESG expertise

- Climate change mitigation - buildings, installations and transport
- Climate change mitigation traded floriculture products
- CSRD (Corporate Sustainability Reporting Directive)

Composition of management team



Anita Bonder

Nationality Dutch
Year of birth 1972
Role CHRO
Gender She/Her
Year appointed 2023

Education

- Master of Business Administration – University of Groningen

Most important management experience in other organisations

- 2019 – 2023 – Meyn Food Processing Technology B.V. – Chief Human Resources Officer
- 2017 – 2019 – Forbo Flooring Systems – Global HR Director

Other board positions

- Board member of Vrouwen van Amstel (network for ambitious women in Amsterdam)

Expertise management

- Strategic HR, organisational transformation, collective labour agreement negotiations, learning & development and coaching

Expertise ESG

- ESG Working conditions



André van der Linden

Nationality Dutch
Year of birth 1968
Role CIO
Gende He/His
Year appointed 2019

Education

- Ir. Information Technology – Eindhoven University of Technology

Most important management experience in other organisations

- 2015 – 2019 Head IT Infrastructure EVP – Rabobank Netherlands
- 2011 – 2014 Global Head IT Infrastructure, EVP – Rabobank International
- 2007 – 2011 Head of Shared Services – Rabobank International Direct Banking

Other board positions

- Member of the Advisory Board of HBO-i
- Chair of the board of the Floricod

Foundation Supervisory positions at other companies

- Trainee member of the Supervisory Board of Molemann Mental Health B.V.

Expertise management

- Digitisation
- IT Management
- IT Strategy
- IT Transformation & Innovation
- Strategy Execution, improvement
- Cyber resilience,
- (Strategic) Vendor Management & Sourcing Strategy

Expertise ESG

- Data reliability and security
- Efficiency and standardisation (digital platform)



Leendert-Jan Plaisier

Nationality Dutch
Year of birth 1972
Role COO
Gender He/His
Year appointed 2020

Education

- Ir. Technical Business Economics – University of Twente
- Qualified Controller – HOFAM Nivé
- MBA – Vlerick Business University Belgium
- Supervisory board Cycle – Nyenrode University

Most important management experience in other organisations

- 2019 – 2020 – General Manager Logistic Solutions – Post NL
- 2012 – 2019 – Director Operations Benelux – Post NL
- 2006 – 2012 Distribution Manager Benelux – TNT

Expertise management

- Change management
- Process improvement
- Logistics & transport
- Results management
- Innovation

Expertise ESG

- Efficiency and standardisation (logistics platform)
- Circularity of transport packaging
- Working conditions
- Collaboration in the floriculture chain

Composition of management team



Education

- Industrial Engineering and Management (BSc) – Fontys University of Applied Sciences
- Business Administration and Management – Nyenrode Business University

Most important management experience in other organisations

- Various management positions at Royal FloraHolland

Other current board positions

- Member of the board of MPS

Martin de Ruiter

Nationality Dutch
Year of birth 1974
Role Chief Buyer Partnership Development & International
Gender He/His
Year appointed 2025

Expertise management

- Commercial management
- Change management
- Digitisation- Innovation
- Agile leadership



Education

- Master's degree – International Political Economy – University of Groningen

Most important management experience in other organisations

- 2018-2025 Various management positions at Royal FloraHolland
- 2018-2024 Owner of Triton Management & Consultancy
- 2012-2018 Various management positions at PostNL

Other current board positions

- Chair of the Sint Nicolaas Foundation

Thomas Bugel

Nationality Dutch
Year of birth 1986
Role Chief Commercial Officer Growers
Gender He/His
Year appointed 2025

Expertise management

- Change management
- Authentic leadership
- Process optimisation
- Employee participation
- Integral strategy
- Commercial services

Expertise ESG

- Collaboration and advocacy
- Efficiency and standardisation



Education

- Master of Corporate Communication – Rotterdam School of Management, Erasmus University
- Elementary Company Law course – Nyenrode Business University
- Course in Board Potentials – National Register

Most important management experience in other organisations

- 2009-2018 – Eneco Group – Communications manager and (from 2013) Company Secretary, Director of Administrative Affairs
- 1992-2007 – Achmea – various communications management positions, most recently Manager PR & Communications Achmea Zorg

Other current board positions

- Member of the Supervisory Board of Coöperatie Kraamzorggroep

Olga Kolenburg

Nationality Dutch
Year of birth 1966
Role Executive secretary
Gender She/Her
Year appointed 2019

Expertise management

- Governance
- Communications
- Management

Expertise ESG

- Cooperation
- Advocacy

Composition of the Supervisory Board



Evert van Helvoort

1988 - Netherlands - he/his

Grower member:
Van Helvoort Company

Chair as of January 2024
Member of the Supervisory Board
since January 2020
End of regular term 2027

Experience

CEO of Van Helvoort Company since 2008, a flower production company covering 26.2 hectares in the Netherlands and Kenya with a production of 150 million branches per year. Active within the Royal FloraHolland Cooperative for more than ten years.

Board positions in other organisations

- Member of the Rabobank Bommelerwaard – Altena Members Council since 1 December 2020.

Competences

Management

- Management and supervision

ESG

- Climate change mitigation for buildings, installations and transport
- Climate change mitigation for ornamental horticulture products
- Collaboration and advocacy
- Working conditions
- Efficiency and standardisation
- Biodiversity and ecosystems
- Resilient ornamental horticulture sector



Rosaline Zuurbier

1977 - the Netherlands - she/her

Grower member:
C.G. Zuurbier & Co. International B.V.,
and Bilashaka Flowers Ltd. in
Naivasha, Kenya

Vice-chair as of January 2019
Member of the Supervisory Board
since January 2014
End of regular term 2025

Experience

Since 2005, director and owner of C.G. Zuurbier & Co International B.V., which imports and trades cut roses. Also grows vegetable seeds, peonies and garden roses on 6 hectares. Since 2005, director and owner of Bilashaka Flowers with 70 hectares of cut roses and 6 hectares of vegetable seeds (tomato and bell pepper) in Kenya. Active within the Royal FloraHolland Cooperative for more than 15 years.

Competences

Management

- Governance cooperatives,
- Management and supervision

ESG

- Climate research
- Climate change mitigation floricultural products
- Reliability and security of data
- Collaboration and advocacy
- Circular packaging
- Biodiversity and ecosystems
- Certification



Frank Ammerlaan

1981 - Netherlands - he/his

Grower member:
AQ Roses PLC Ethiopia, Rosa Plaza in
Aalsmeer

Member as of January 2023
Eligible for re-election in 2027
End of regular term 2030

Experience

Since 2005 Director/owner AQ Roses PLC Ethiopia a 50 ha rose nursery and Rosa Plaza a rose trading company in Aalsmeer. Active within the Royal FloraHolland cooperative for over ten years. Been a member of FPC Roos and the Members' Council. Also ten years active on the board of the EHPEA (Ethiopian Horticulture Producers & Exporters Association).

Board positions in other organisations

- Co-owner GVA TZ Ltd (Tanzania)

Competences

Management

- Business administration
- Management and supervision

ESG

- Climate change mitigation ornamentals
- Cooperation and advocacy
- Working conditions (RFH and/or in the floriculture value chain)
- Efficiency and standardisation
- Biodiversity and ecosystems

Composition of the Supervisory Board



Piet Coelewijn

1960 – Netherlands/Italy - he/his

Independent member

Member as of January 2020
End of regular term 2027

Experience

Global businessman; lived and worked in the United States, Asia (China, Singapore) and Europe (France, UK, NL, Italy). Track record in high growth, innovation and digital transformation.

Executive positions in other organisations

- Co-founder and co-owner Greenwind B.V.
- Founder and CEO/MD Adsum Auxilio B.V.
- Co-founder and co-owner Selected Ventures B.V.
- Co-founder and co-owner Legato BV

Board positions in other organisations

- Member of the Supervisory Board of Bas Group,
- Member of the Supervisory Board of Jumbo Supermarkten B.V.,
- Member of the Supervisory Board of Interpark SA (Belgium),
- Chairman of the Supervisory Board of Sonion A/S (Denmark)
- Investor and Chairman of the Advisory Board of Econowind B.V.

Other positions

- Member of the innovation committee Brisa S.A. Portugal
- Guest lecturer at Insead

Competencies

Management

- Management and supervision

Other

- Innovation



Richard Fernandes

1962 – United Kingdom / Kenya - he/his

Grower member:
Marginpar B.V.

Member as of January 2024
Eligible for re-election in 2028
End of regular term 2031

Experience

Active in horticultural business in Kenya since 1992 and CEO since 2002. Marginpar consists of seventeen flower farms in Africa (primarily in Kenya and Ethiopia with sister farms in Tanzania and Zimbabwe) with a total of 450 ha in production. It supplies more than 100 product lines and employs more than 5,000 people. The marketing, logistics and handling operations are based in the Netherlands. Active in the Royal FloraHolland cooperative since 2017.

Board positions in other organisations

- Member of the board of Floriculture Sustainability Initiative (FSI)
- Member of the board of Kenya Flower Council
- Member of the board of ASNET (Agriculture Sector Network)
- Member of the board of Marginpar Foundation in Kenya

Competencies

Management

- Management and supervision

ESG

- Sustainability certification of floriculture production, working conditions of employees in the floriculture chain
- Climate change mitigation of floricultural products - Cooperation and advocacy
- Working conditions in the floriculture value chain



Linda Hovius

1961 - Netherlands - she/her

Independent member

Member of the Supervisory Board since January 2019
End of regular term 2026

Experience

Over 30 years of experience in managing professional organisations, determining strategic direction and implementing change. She worked at McKinsey & Company for 20 years and has been an independent boardroom consultant and founding partner of Aberkyn for over 10 years.

Executive positions in other organisations

- Owner of Hovius Consultancy

Board positions in other organisations

- Vice-chair of the Supervisory Board of KPMG
- Member of the Supervisory Board of Flow Traders
- Chair of KHMW (Royal Dutch Society for Sciences and Humanities)

Competencies

Management

- Management and supervision, organisation and HR
- Culture and leadership development, talent management

ESG

- Governance
- Collaboration and advocacy
- Working conditions (RFH and in the floriculture value chain)
- Efficiency and standardisation
- Biodiversity and ecosystems

Composition of the Supervisory Board



Birgit Otto

1963 - the Netherlands - she/her

Independent member

Member of the Supervisory Board since January 2020
End of regular term 2027

Experience

21 years employed by Schiphol, of which 8 years in the management board. Before 14 years various senior management positions at Nedlloyd. Excellent at attracting and building high-impact teams to accelerate growth. Experienced manager with strong skills in commercial and operational strategy and business development with complex settings and organisations.

Board positions in other organisations

- Member of the Supervisory Board of C. Steinweg (Handelsveem Beheer BV)
- Member of the Supervisory Board of Royal IHC Merwede
- Member of the Supervisory Board of Transavia
- Member of the Supervisory Board of Evos
- Member of the Supervisory Board of Kika Kinderkankervrij
- Member of the Supervisory Board of the Federation of Professional Football Organisations (FBO).

Competencies

Management

- Culture and leadershipdevelopment
- Commercial strategy
- Strategy and complex stakeholder management
- Operational (excellence) and supply chain
- Management, supervision, organisation and HR

ESG

- Governance
- Reliability and security of data
- Collaboration and advocacy
- Efficiency and standardisation
- Working conditions



Pascal Visée

1961 - Netherlands - he/his

Independent member

Member of the Supervisory Board since January 2019
End of regular term 2025

Experience

- Senior management positions at Unilever (Finance & IT, General Management)
- Various supervisory positions including member of the Supervisory Board of Rabobank Group, Hagemeyer, Albron, Mediq, Plus, and member of the Erasmus University Supervisory Board

Executive positions in other organisations

- Independent board advisor (Visée Board Advisory Services BV)

Board positions in other organisations

- Non-executive board member Nolet Holding B.V.
- Member of the Supervisory Board Lucas Bols B.V.
- Member of the Supervisory Board KPMG N.V.
- Non-executive board member Ketel One Worldwide BV
- Member of the Supervisory Board Stichting het Limburg Landschap

Other positions

- Board member of the Schiedam viert 750 foundation
- member of the Monitoring Committee for the Pension Fund Code.

Competencies

Management

- Finance
- IT
- Strategy

ESG

- Materiality analysis
- Reliability and security of data
- Collaboration and advocacy
- Efficiency and standardisation

Foreword (chairman SB)

Report of the Supervisory Board

2024 was a special year for the Supervisory Board (SB) of Royal FloraHolland. It was the first year for Evert van Helvoort in his role as chairman, because Richard “Kiki” Fernandes joined the SB, all meetings were conducted in English. For the same reason, all proposals, decisions and minutes of SB meetings and committee meetings are drafted and distributed in English. This has the necessary impact on the employees involved in the company. The SB greatly appreciates all these employees affected by this.

The appointment of Kiki Fernandes as a member of the SB is based on his individual qualities, and it shows how Royal FloraHolland is increasingly acting within an international context. This has been the case for years and the further rollout of the globally accessible Floriday reinforces this development.

Tasks SB

The SB has three main tasks or roles:

- 1 Supervise the management. In doing so, the SB must take into account the interests of all stakeholders of Royal FloraHolland, such as growers, buyers, employees, third parties, government, etc.
- 2 Sparring partner of the Executive Board. As in strategic choices and important social issues, such as sustainability.
- 3 Employer of the Executive Board. Here the Supervisory Board looks at the members of the Board of Directors and indirectly also at (the composition of) the management team of Royal FloraHolland (MT-RFH).

To each of these three components, the SB paid close attention in 2024.

Supervision: black figures

One of the most important conditions for a future-proof cooperative is writing black figures. After the two loss-making years 2022 and 2023, the SB intensively challenged the Executive Board on the performance of the day-to-day operation and the desired ratio of revenues to expenses. Good performance should lead to satisfied customers (growers and buyers) and efficient operations should lead to a positive operating result. Good progress has been made on both points. Even without one-off proceeds from a real estate transaction included in the operating result, Royal FloraHolland was profitable in 2024. The SB also sees that the company has made great improvements in reducing various costs.

In this context, it cannot go unmentioned that the SB paid much attention to the developments at Floriday. It is clear that much remains to be done in this area, but during 2024, some good steps have been taken in terms of governance and supervision. This has significantly increased the chances of better results at Royal FloraHolland’s transport division. In 2025, the SB will continue to review the pace of the improvements. The SB was very pleased with the progress of Floriday and the covenant made on this with trade.

Sparring partner

In several meetings, the SB also assumed the role of sparring partner of the Executive Board. A crucial moment here was the annual strategy day that took place in May 2024. This edition brought a lot of inspiration and insights, which allowed the SB to ask the right questions to the Executive Board during meetings throughout the year. During these discussions, it is more and more about (the pace of) the implementation of the adopted strategy, in which Floriday plays a central role. It is clear to the SB that there are still plenty of opportunities to further expand and exploit the functionalities of this part of our digital platform.

Besides its own objectives, Royal FloraHolland must increasingly take into account social developments and compliance with (international) laws and regulations. By far the most impactful development can be seen in the field of sustainability. For the financial year 2025, we aim to comply with the reporting guidelines in accordance with the Corporate Sustainability Reporting Directive (CSRD) In anticipation of this, this annual report already reports in the spirit of CSRD. In order to do so according to the relevant regulations, all kinds of decisions have to be made and data mapped within the organisation. A key component is the dual materiality analysis (DMA). Several times during the year, the SB spoke with the management about how the company has prepared to meet all CSRD obligations.

In October, extensive consideration was given to the DMA and the essential risks for Royal FloraHolland and the ornamental horticulture sector. Naturally, the progress of the certification programme for all growers registered with Royal FloraHolland was also discussed within the SB.

Employer

2024 was a year in which the SB's employer role required extra attention. Once the SB was informed in detail about Fit for Future by the Executive Board (about which more information can be found elsewhere in this report), the SB also had to adapt to the change in management. After a term of 8.5 years (of which 7 as CEO), Steven van Schilfgaarde resigned as CEO at the end of 2024 and Pieter Bootsma was appointed as the new CEO.

The SB is convinced that Pieter has all the qualities to live up to expectations of this demanding role. The fact that Pieter was already on board contributed to a quick and smooth handover. At several meetings, growers and buyers reacted positively to this development. Of great importance here is that David van Mechelen is an important driving force within Royal FloraHolland and is appreciated by the Supervisory Board as a very experienced CFO, who now knows the company and the sector well. This gives us a strong management team. The SB has therefore decided to continue with two directors. This will be evaluated during 2025.

The Supervisory Board would like to thank Steven van Schilfgaarde. He has guided Royal FloraHolland through some very turbulent years. Extensive attention was paid to this during the Day of the Cooperative, where Steven was awarded the Royal FloraHolland Diamond for his merits to the cooperative.

Finally, the SB is very pleased with the fact that the MT-RFH is once again fully staffed with the arrival of Martin de Ruiters and Thomas Bugel. The SB welcomes the fact that these positions have been filled with candidates from within the organisation.

And beyond

During its spring conference, the SB decided to establish a new digital committee, with Piet Coelewij as chairman. Given the importance of digitalisation for Royal FloraHolland, the SB felt that this should be given structural attention. Among other things, the committee replaces the Floriday working group, which has been dismantled. A special working group paid extra attention to the Floriway file in 2024. This included Birgit Otto, Frank Ammerlaan and Pascal Visée. The SB used the services of real estate consultant Paul Meulenberg throughout 2024. Paul attended every SB meeting, but is not a Supervisory Board member.

At the end of 2024, Kees Pinggen announced that he had accepted another position with a company that is not a member of Royal FloraHolland as of 1 January 2025. As a result thereof, he no longer met the requirement for being a grower supervisory board member and had to resign due to which a vacancy arose. Preparations to recruit and select a successor have now started. This search will be combined with filling the vacancies created at the end of 2025 by the regular expiry of the terms of office of Supervisory Board members Pascal Visée and Rosaline Zurbier.

In 2024, the SB met 14 times. Besides the seven regular meetings and the two fixed additional meetings (spring conference and strategy day), there were also three additional (online) meetings on various topics (Floriway, real estate and management change). In addition, the entire SB was present during the two formal members' council meetings. With notice of absence, some Supervisory Board members were unable to attend a meeting.





Evert van Helvoort
Chairman of the
Supervisory Board

Supervision for a sustainable, financially healthy cooperative

On 1 January 2024, Evert van Helvoort commenced his role as Chairman of the Supervisory Board of Royal FloraHolland. Together, we reflect on some key developments. Van Helvoort explains: ‘As Supervisory Board members, we are very conscious of our roles: as supervisor, employer, and occasionally, sparring partner.’

What does the Supervisory Board’s role primarily involve?

‘Together with the Executive Board and the Members’ Council, we form a governance triangle within Royal FloraHolland. Since 2014, the Supervisory Board (SB) has explicitly focused on supervision rather than management, dealing with strategic values, risk identification and related matters. Periodic evaluations evidence that we keep improving how we fulfil this role. In addition, feedback from RFH’s members shows that we are becoming more visible to them.

The structure is straightforward: the Executive Board and the management team manage, while we supervise their work.’

Overseeing a complex organisation like Royal FloraHolland requires making choices. What were the key areas of focus for the SB in 2024?

‘Each year, the SB determines specific priorities, while ensuring that other important topics are not neglected. A key agenda item has been creating value for members and other stakeholders; maintaining affordability and attractiveness is crucial for the cooperative’s long-term success. This includes developments within the “Fit for Future” programme and the Growth Plan.

Secondly, getting back into the black was a major theme in 2024. The 2023 operational result was disappointing, partly due to deliberate strategic choices. This is undesirable, as the SB believes that (budgeted) losses can negatively affect stakeholders' perceptions. The Executive Board kept us closely informed about the organisation's financial position throughout the year. Thanks to their efforts and together with the management team and the employees, Royal FloraHolland returned to profitability in 2024. We feel that was a great achievement.'

Is the SB ensuring that the organisation remains financially sound in the long term?

'Absolutely. We have engaged in in-depth discussions with the Executive Board to ensure that we achieve at least a break-even financial position by 2024 and beyond, without relying on one-off income from real estate sales. This represents a significant shift from previous years. It is vital that we demonstrate a consistent and healthy financial strategy year upon year to our stakeholders. Our members recognise the necessity of this stricter financial approach. However, it does have implications, such as on operational matters and pricing. It remains a constant challenge to fulfil the cooperative's commitments and ambitions while maintaining financial balance.'

Sustainability is likely to have been a recurring topic within the SB's discussions,

'Correct, sustainability was another key focus area last year. The Executive Board updated us regularly on the progress of FSI certification, particularly regarding how we can ensure fair inclusion for all growers, both large and small. Furthermore, we also discussed the social aspect of sustainability: Royal FloraHolland's role as a responsible employer. Finally, a fourth focus point was the implementation of the business strategy, covering crucial areas such as advancements in order picking, member packages, 'Fit for Future' and RFH 2.0.'

As we are discussing sustainability: the debate on crop protection agents intensified in 2024. How does the SB view this development?

'The floriculture sector is actively taking responsibility in this area. As a cooperative, we must better communicate the efforts growers are making in this field to consumers and the media. More and more growers are adopting organic crop protection methods. It is important that product pricing reflects the investments growers are making in emission-free cultivation and reduced use of chemicals. It is encouraging that supermarkets and other stakeholders are making progress in this regard. As the SB of Royal FloraHolland, we are committed to safeguarding the sector's viability. We actively counteract misinformation and oversimplified narratives that sometimes dominate public discourse. This is a regular point of discussion with the Executive Board.'

“We are very conscious of our roles: as supervisor, employer, and occasionally, sparring partner”

Any other key topics in 2024?

'Several other important topics were on the agenda in 2024. For example, to closely monitor developments at Floriway, the SB established a temporary working group consisting of three Supervisory Board members. This allowed for efficient and well-informed discussions with management on this critical issue.

Additionally, in 2024, we introduced a digital committee. This was aimed at alleviating the audit committee's already extensive workload while enhancing expertise in digitalisation discussions with the Executive Board and the management team. Specific knowledge is essential for evaluating plans effectively and asking in-depth questions when necessary. As with all committees, the digital committee prepares the groundwork for final decision-making by the SB.

Finally, we continue to focus on the international expansion of Royal FloraHolland as a global floriculture platform. Our cooperative is increasingly attracting growers and buyers from regions such as Africa and the Middle East. One notable outcome of this internationalisation is that, since 2024, the SB has been conducting its meetings in English – a tangible reflection of our global progress.'

'In conclusion, on behalf of the entire SB, I would like to express my gratitude to the Executive Board, management, and employees for their dedication to Royal FloraHolland in 2024. Together, we stand strong as a cooperative—both for today and for the future.'

Report audit committee

In 2024, the audit committee consisted of Pascal Visée (chairman), Rosaline Zuurbier, Kees Pingen and Birgit Otto and independent real estate consultant Paul Meulenberg. As representatives of management, the CFO, the Finance manager and the Internal Audit & Risk manager (secretary) were always present. The audit committee met a total of six times: five regular meetings and one additional meeting. All committee members were present at each meeting. Depending on the topic, the auditor, other external experts and/or employees from the organisation were invited.

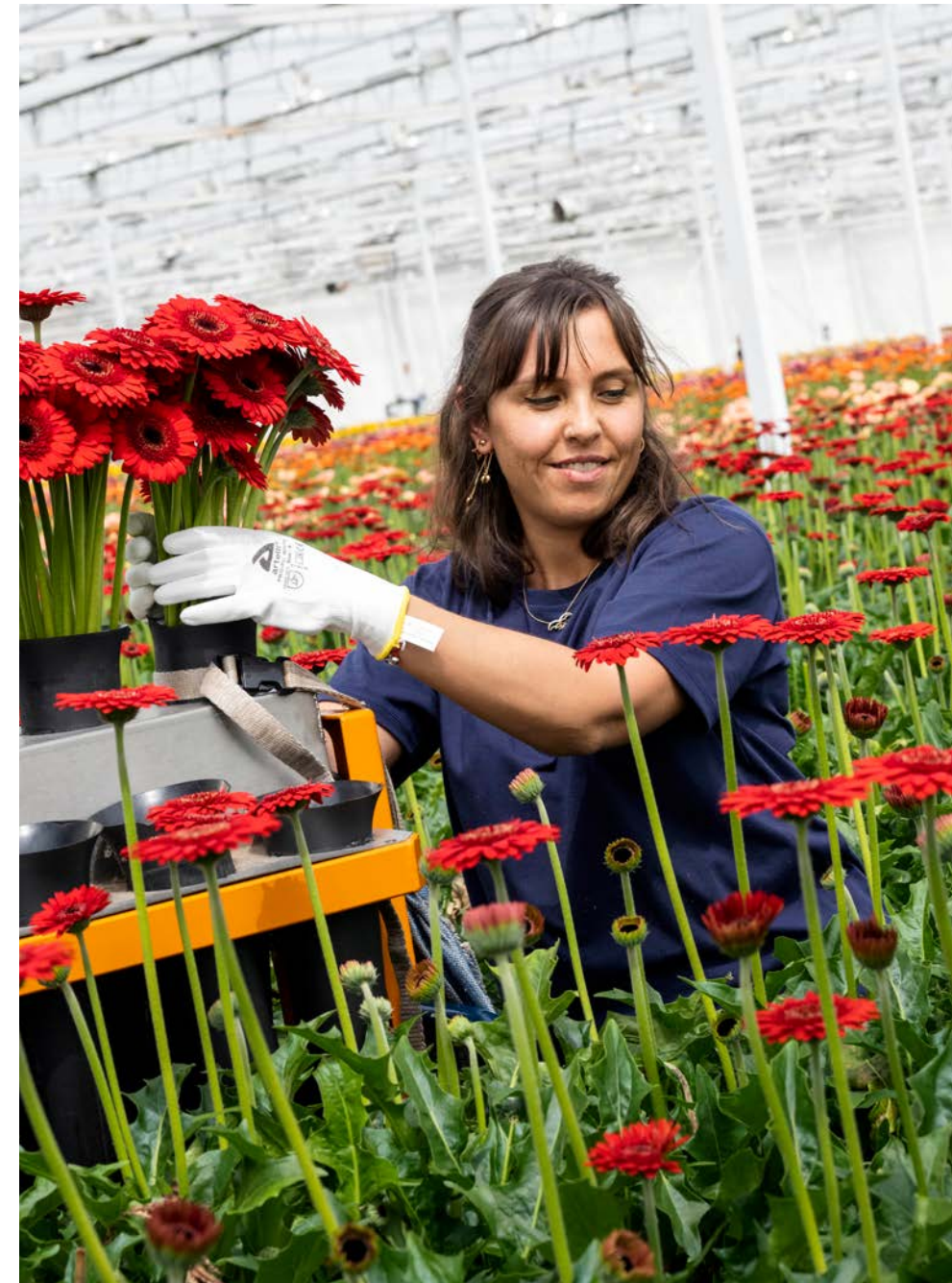
Discussed in 2024

In 2024, the audit committee focused on several important topics and decisions affecting the organisation's financial and operational strategy. The committee paid attention to Royal FloraHolland's 2023 financial statements, the management letter and the auditor's report. The auditor was present and appreciated the good cooperation with Royal FloraHolland. Although challenges remain, the auditor highlighted the progress in CSRD.

In addition, the committee discussed issues including:

- Finance: the 2024 annual plan and budget, financing policy, tax policy, tax receivables, the 2023 annual treasury plan and treasury report, refinancing, insurance and participations;
- Real estate: the multi-year investment plans, including a look ahead to deferred maintenance and sustainability;
- ICT: cybersecurity, legal impact of Network and Information Security (NIS2) legislation and IT governance Floriway;
- Risk and compliance: the strategic risk policy, the Internal Control Framework, compliance reporting, incident reporting and the Internal Audit & Risk plan and its outcomes;
- Business: commercial arrangements and the Off Auction Reporting (BVO).

The effectiveness of the control measures in the Internal Control Framework was reviewed through self-assessments and independent reviews, as well as the improvements in the framework through automation of controls.



Report selection and remuneration committee

In 2024, the selection and remuneration committee consisted of Supervisory Board members Linda Hovius (chairman), Evert van Helvoort, Birgit Otto (until March 2024) and Frank van Ammerlaan (from March 2024). In 2024, the committee paid particular attention to:

Organisational transformation

A regular topic in the selection and remuneration committee is organisational development. In 2024, the Organisational Transformation programme (to support strategy implementation) focused on the Fit for Future programme and leadership development. We also discussed the annual fleet review (renamed: Talent Review), in which we looked at performance of individual managers below MT level and shared insights on potential career moves for these people. Finally, the committee was briefed on, and expressed appreciation for, the new works council and all the advisory requests they handled.

Social safety

Social safety is an important topic for Royal FloraHolland and was a standard item on the agenda of the selection and remuneration committee meetings in 2024.

New collective labour agreement and pension

The selection and remuneration committee was kept up to date on negotiations with the unions on a new collective labour agreement. In July, this resulted in a new two-year agreement. Regarding pensions, talks with the unions continued through the end of 2024. The committee was regularly updated on developments.

Absenteeism

The subject of absenteeism was also prominent on the agenda this year: the selection and remuneration committee is concerned about the high level of absenteeism.

KPIs

KPIs were regularly on the committee's agenda last year. These include assessing the achievement (score) of the KPIs over 2023, monitoring the KPIs in 2024 and drafting KPIs for 2025.

On the recommendation of the selection and remuneration committee, the Supervisory Board set the total realised KPI score for 2024 at 90%.

Workforce Management Tool

Due to the impact the development of the Workforce Management Tool (WMT) had on many employees, and possibly also on their finances, the selection and remuneration committee followed the developments with great attention. The committee was briefed on the Project WFM tool evaluation report.

The selection and remuneration committee met five times in 2024, mostly digitally. These meetings always take place in the presence of the CEO, and usually also the CHRO. The HR Business Concern manager replaced the CHRO in May and September. Since March, the manager Compensation & Benefits has been taking minutes.

A representation of selection and remuneration committee participated in selected meetings of the works council (OR) in 2024. The cooperation with the OR was perceived as very pleasant and constructive. The same applied to the consultation with the cooperative committee of the Members' Council, with which the committee spoke during the year on various matters that also concerned the Members' Council. The committee also greatly appreciated this cooperation and coordination.

Digital committee report

The digital committee was formed in the second half of 2024 and emerged from the earlier Floriday working group. The committee consists of Piet Coelewijn (chairman), Birgit Otto and Kiki Fernandes. From Royal FloraHolland, the CVO, CIO and Business Owner Floriday attended. The digital committee meets quarterly. Depending on the topic, external experts and/or employees from the organisation are invited. The scope of the committee covers Royal FloraHolland's digital platform for aspects such as strategy, vision, development, adoption, risks, finance, etc. The demarcation between the digital committee and the audit committee was established in advance by the SB.

Discussed in 2024

The digital committee paid attention to equalising the level of expertise of committee members regarding Royal FloraHolland's IT landscape when it started in mid-2024. During an information session, committee members were taken through Royal FloraHolland's changing IT landscape, the Enterprise Architecture principles underlying it, the IT budget and the sourcing strategy. They also covered how delivery (from idea to realising value in the market) is organised according to the strategy, portfolio and delivery routine, including how prioritisation takes place based on business value.

Because trust in Royal FloraHolland's digital platform is partly determined by integrity in dealing with data, the committee took note of Royal FloraHolland's data and information policy and the management measures taken to comply with it. Main focuses in 2024 were the developments on Floriday, progress on adoption, increase in the share of buyer-initiated transactions, the covenant with the trade, the auction presales experiments and the day trade proposition. The results of Floriday were discussed in detail each consultation, including the steps needed to further increase usage and remove barriers.

The main targets for 2024 were to increase the share of buyer initiated transactions. For plants, the target has been achieved, for flowers not yet and there are steps to be taken in 2025. The measured satisfaction with Floriday is in line with the target, the availability of Floriday is better than the set target. 2024 has been a great start for this committee.



Composition and report of the members' council



Royal FloraHolland's elected members' council is the link between members, management and the Supervisory Board (SB). It reflects the total membership and exercises control on behalf of the members. In addition to its statutory duties, the members' council has a signalling and advisory function.

The members' council is involved in major decisions and policy development by the management. As part of the governance model of our cooperative (association with its own company), the members' council appoints the members of the Supervisory Board and approves various decisions of the management. During interactive sessions, the members' council informs and consults the members of Royal FloraHolland. The members' council exists for six years.

Meetings members' council

The members' council met ten times in 2024: two formal meetings, four informal meetings and four additional meetings. Outside the regular meetings, members had regular contact among themselves and consulted with board members, the management team and the SB. In addition, the CEO, the chairman of the SB and the chairman of members' council met regularly.

On 22 January 2024, the members' council had its first additional online meeting dedicated to the SB compensation scheme. This was in preparation for the two-day Members' Council meeting on 1 and 2 February 2024. The two days also covered the following topics: self-reflection and effectiveness of the members' council, the 2024 annual plans, preparation for the formal meeting on 28 March, certification and volume discounting.

At the formal Members' Council meeting on 28 March 2024, the annual accounts were adopted and discharge was granted to the management and the SB. The council also adopted the SB's remuneration scheme for the period 2024- 2026 and discussed the proposed management decision regarding certification.

During the two-day meeting on 18 and 19 September 2024, it was decided to communicate the 2025 member tariffs indicatively. The volume advantage discount and cooperative relationship forms were also discussed. The Members' Council also appointed its new chairman from 1 January 2025: Marcel van der Lugt (Lugt Lisianthus).

On 12 December 2024, the formal Members' Council meeting voted on the Members' Tariffs 2025 and the sale of a plot of land in Naaldwijk, known as Bloemblad-2, to the Municipality of Westland. The Members' Tariffs 2025 were adopted and the Members' Council approved the sale of Bloemblad-2.

Member engagement, member consultation and member communication

In 2024, the Member Meeting was again organised on a large stage during the Day of the Cooperative on 12 December in Naaldwijk. Here, the results of the Members' Council elections were announced and we reflected on change of chairmanship by the symbolic handover of the gavel by Peter Smak to Marcel van der Lugt.

The theme of this year's Cooperative Day was: 'Pride in floriculture'. This struck a chord with the many visitors, including members, suppliers and buyers. The theme was central to the presentations and sessions of several speakers during the day, including state secretary Jean Rummenie of the Ministry of Agriculture, Fisheries, Food Security and Nature (LVVN). Participants reported that the Day of Cooperatives provided a lot of inspiration and generated good conversations.

In the presence of Royal FloraHolland management, six Top 200 talks and three canteen sessions were organised at growers' gardens. These were conversations 'to pick up what is going on among members', without a fixed agenda.

The Members' Council connected with FloraHolland Product Committees (FPCs): all FPCs were linked to a Members' Council member. These Members' Council members attend an FPC meeting at least once a year to tell what the Members' Council is working on. And vice versa, they pass on signals from the FPCs to the members' council. The chairman of the members' council attends the semi-annual FPC chairmen's meeting twice a year. Liaison and information transfer are key here. These initiatives reduce the distance between members' council and FPCs and make information transfer easy.

Four signal meters Cooperative Services have been drawn up that include key signals from the Members' Council, FPCs and other sources. This signal meter was published in the four members' newspapers. All members receive the newspaper. Themes of the members' newspapers were: Growing Greener, Entrepreneurship, Pride in Ornamental Horticulture and International Growth. The members' newsletter was sent electronically to all members 12 times.

Evaluation

The cooperative committee of the Members' Council annually prepares the evaluation of its own functioning of the Members' Council, its members and committees. The self-evaluation was sent out on 25 November 2024. In early January 2025, the committee analysed the results and after feedback during the two-day meeting in February 2025 with the entire members' council, the committee will work with the outcomes. Depending on the analysis, we will take concrete actions to professionalise and improve the functioning of the members' council.

Composition

In 2024, the members' council consisted of 37 active members, including six international members. During the Members' Meeting on 12 December 2024, we said goodbye to five members and nine new members were installed, including three international members. Ten sitting members were reappointed, of which five were extended reappointments. The motivation for these extended reappointments was to maintain an appropriate reflection within the members' council in 2025, especially in the ratio of flowers and plants.

Sustainability report

[Growing greener together](#)

[General](#)

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Growing greener together

Royal FloraHolland is the largest international B2B floriculture platform for flowers and plants. We are a cooperative, as well as an association of growers with a joint company. With this report, we provide insight into our sustainability results and the progress we are making in this area. As a cooperative, we strive to create long-term value. Royal FloraHolland takes its responsibility for sustainability, also known as Environmental, Social and Governance (ESG), seriously. Royal FloraHolland embraces the CSRD. We consider it a responsibility and an opportunity to accelerate our sustainability efforts and to increase our knowledge and insights with the help of relevant key metrics.



Corporate Sustainability Reporting Directive

Every year, Royal FloraHolland improves its sustainability reporting with the aim of gradually complying with the Corporate Sustainability Reporting Directive (CSRD). In doing so, we keep a close eye on developments at the European level.

European Sustainability Reporting Standards

The CSRD has been elaborated by the European Financial Reporting Advisory Group (EFRAG) into sustainability reporting standards: the European Sustainability Reporting Standards (ESRS). This sustainability report is based on these ESRSs, published by the European Commission on 31 July 2023 and corrected on 18 April 2024. The reporting is factual. The ESRS coding is stated in this report with each paragraph. This report does not include reporting according to the EU Taxonomy.

Outcome of the double materiality analysis: nine 'material topics'

Our sustainability report includes the result of the double materiality analysis (DMA). This type of analysis reviews Royal FloraHolland's activities on people and the environment, as well as the financial risks and opportunities these topics present for Royal FloraHolland. The impact, risks and opportunities of nine topics have been identified as being of material importance. These nine topics are material and therefore belong in our sustainability report. We intend to define the impacts, risks and opportunities of our material topics more precisely and elaborate them in more detail in 2025.

Important sustainability milestones in 2024

In 2024, Royal FloraHolland took a number of steps in the area of sustainability and its integration into business operations. The most important developments and results are:

- The double materiality analysis (see above) was adopted by the Executive Board after an intensive process and was endorsed by the Supervisory Board. The analysis has clarified which subjects are strategic priorities. The impacts, risks and opportunities will be further specified and elaborated in 2025.

- Together with sector partners, we are working towards 100% certification according to the Basket of Standards drawn up by the Floriculture Sustainability Initiative (FSI, see p. 81).
- A transition plan for climate change mitigation has been adopted for our buildings, installations and transport, which sets targets for CO₂ emissions that are in line with the Paris Climate Agreement. Dutch and European government policy is also geared towards this.
- A policy has been developed to facilitate climate change mitigation for traded floricultural products.
- The standard method for environmental footprint calculations in floriculture, the FloriPEFCR, has been published. Subsequently, two tools have been approved by FSI that can perform the calculations according to the FloriPEFCR. This allows growers to have the CO₂ emissions and other environmental impacts of their products calculated.
- Physical and social safety are even more firmly anchored in the employee policy. The number of accidents has been reduced from 43 in 2023 to 37, and the number of days of absence was reduced from 708 in 2023 to 397 in 2024.
- The integration of sustainability in the organisation has improved, particularly in the areas of Real Estate & Facility Management, Procurement and HR.
- The integration of sustainability reporting within finance has progressed considerably and a large part of the CSRD data points have been recorded in the Internal Control Framework. Most of the CSRD data is requested every quarter. Our ambition is to take further steps towards a CSRD-compliant sustainability report by 2025. Our intention is to focus our sustainability efforts on reducing negative impact and risks and on leveraging the positive opportunities that the material topics contain.
- A partnership has been established with the Foundation for Accelerators in Floriculture. The foundation consists of a large group of growers who want to initiate an accelerated sustainability movement. The trailblazers strengthen each other by working together and by leveraging what is already happening in practice.

Points of attention for the reader

The Royal FloraHolland sustainability report is inspired by the CSRD, which is a voluntary report intended to show the user of the annual report how RFH deals with sustainability. The report does not aim for full CSRD compliance.

Some of the quantitative data has been obtained directly from our systems. In addition, assumptions, judgements and estimates have been used that influence the reported amounts. As a result, there is an inherent uncertainty in our calculations. The estimates and assumptions are based on past experience and various other factors and are considered reasonable.

The comparability of sustainability information over time may be affected by the lack of historical sustainability information in accordance with the ESRS and the lack of a uniform practice that can be relied upon to evaluate and measure this information. This allows for the application of different, but acceptable measurement techniques, especially in the early years. In the event of new insights, comparative figures can be adjusted. In our approach and commitments, we distinguish between matters over which we have control (RFH company) and matters where we can encourage and influence other players in the sector based on our role (value chain).

Where future objectives are listed, RFH is committed to taking measures and actions to realise them, but circumstances may arise that make this unfeasible in the future. For example, we depend on the commitment of other players in the sector and on government policy.

List of CSRD ESRS reporting requirements relevant to RFH – according to established DMA 2024

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General

General disclosures sustainability reporting

ESRS 2

General basis for the preparation of the sustainability statements (BP-1)

Royal FloraHolland's sustainability reporting follows the demarcation of the financial reporting. This means that this report relates to the company Royal FloraHolland as part of the cooperative, including the group companies, unless stated otherwise. Information about the value chain is included where relevant.

Facilitator of sustainability in the sector

Royal FloraHolland does not own the floricultural products traded via its platform. We mainly offer suppliers and buyers auction services and other forms of support. Sustainability adaptations and developments in the cultivation and transport of floricultural products are largely up to the suppliers and transporters. Our direct influence on this is limited. We are a growers' cooperative and we want to promote sustainability in the sector as a facilitator. We support the floriculture sector in making its business operations and the production of floricultural products more sustainable.

Disclosures in relation to specific circumstances (BP-2)

In the context of this sustainability report, 'short term' means less than a year. 'Medium term' means one to five years and 'long term' means more than five years. This is in accordance with ESRS 1, paragraph 77.

The role of the administrative, management and supervisory bodies (GOV-1)

The role and composition of the Supervisory Board, the Executive Board and the management team of Royal FloraHolland and the Council of Members are described in the chapter on Governance ([page 47](#)). The chapter also describes the most important internal committees that prepare decision-making in certain areas. The audit committee is responsible for supervising the sustainability reporting on behalf of the Supervisory Board.

The Executive Board is the governing body of Royal FloraHolland under the articles of association and has final responsibility for the management of the cooperative and the company. The articles of association stipulate that the Executive Board should consist of at least two persons, a chief executive officer (CEO) and a chief financial officer (CFO). In 2024 the CEO position was held by Steven van Schilfgaarde and the CFO position by David van Mechelen. As of 15 January 2024, Pieter Bootsma joined the board in the role of CVO (Chief Value Officer). As of 1 January 2025, Pieter Bootsma will take on the role of CEO and will make up the Executive Board along with CFO David van Mechelen. The articles of association and the board regulations stipulate the subjects for which the Executive Board requires approval from the Supervisory Board and the Council of Members.

The Executive Board, together with a number of senior managers, forms the management team (MT) of Royal FloraHolland (MT-RFH). The MT-RFH is responsible for the strategy, strategy implementation and the day-to-day management of the company and the cooperative. The MT-RFH discusses all current affairs and the progress of the strategy's implementation on a weekly or bi-weekly basis.

Information provided to and handling of sustainability issues by the undertaking's administrative, management, and supervisory bodies (GOV-2)

In 2024, the Supervisory Board, Board of Management and MT-RFH discussed the double materiality analysis, the material topics such as climate change mitigation of buildings, installations and transport, climate change mitigation of ornamental floriculture products traded and sustainability certification according to the FSI Basket of Standards. The Sustainability Board discussed the progress on sustainability topics on a monthly basis and made strategic and operational decisions about sustainability.

Integration of sustainability-related performance in incentive schemes (GOV-3)

The Executive Board, MT-RFH and certain senior management positions are eligible for variable remuneration. From 2025, part of the variable remuneration to be achieved will be linked to sustainability. With this target, we also make an explicit distinction between E, S and G, so that each of these elements is covered by a number of concrete result areas (KPIs). We try to stay as close as possible to our sustainability goals and priorities in order to underscore the importance of proactivity in sustainability.

The goal is to encourage managers to make progress on sustainability goals. The topics that are included are CO₂ emissions from buildings and installations, energy consumption, CSRD compliance, physical safety of buildings and infrastructure, and expanding the exchange of digital sustainability information on Floriday. And in social terms: accidents, absenteeism and engagement.

These KPIs have been established by the end of 2024. For 2024, we implicitly had similar sustainability targets in the variable remuneration, but not explicitly under a separate heading of 'Sustainability'.



Statement on due diligence (GOV-4)

Key elements of due diligence	Royal FloraHolland as a company	Production in floriculture is traded through the Royal FloraHolland platform	Royal FloraHolland suppliers (not being floriculture producers)
a) Embedding due diligence in governance, strategy and business model	Royal FloraHolland endorses the importance and content of the Code of Conduct developed by the International Responsible Business Conduct Agreement for the Floricultural Sector. The investment committee considers sustainability to be an important factor.	Royal FloraHolland has declared FSI Basket of Standards applicable with regard to certification. This is laid down in the sustainability regulations that are part of the auction regulations.	A sustainable procurement policy is being developed.
b) Engaging with affected stakeholders in all key steps of the due diligence	Royal FloraHolland is a member of the FSI and is represented on the FSI board. Royal FloraHolland has a Sustainability Board that ensures integrity on sustainability (ESG).	FSI works on responsible production & trade and on responsible conduct, including living wage. Royal FloraHolland is transparent about sustainability to all stakeholders. Royal FloraHolland has many opportunities for contact with growers who trade using the RFH platform; e.g. in personal conversation in the context of RFH's account management, in member sessions, the Council of Members, and FPCs.	In 2024, Royal FloraHolland initiated discussions with suppliers about scope 3 and due diligence
c) Identifying and assessing adverse impacts	Royal FloraHolland conducts (strategic) risk assessments, which also include sustainability/phytosanitary risk. Royal FloraHolland has identified its negative impact in the double materiality analysis.	Royal FloraHolland collaborates with the Foundation for Accelerators in Floriculture / FSI Trade accelerators to progress on the RFH material topics. FSI is developing a Risk Assessment Tool for its members, including for Royal FloraHolland.	Preparations are being made to start due diligence in 2025, including the use of supporting software.
d) Taking actions to address those adverse impacts	In development	In March 2024, it was decided that as of 1 January 2026 all suppliers, both members and non-members, who trade through the RFH platform gradually must be certified according to the FSI Basket of Standards (see explanation on page 14 and 15 .)	In development
e) Tracking the effectiveness of these efforts and communicating	In development	In development	In development

Risk management and internal controls over sustainability reporting (GOV-5)

The most important sustainability topics have been included in the Internal Control Framework (ICF) in 2024, with further expansion in 2025. The ICF safeguards processes that are relevant to financial and sustainability reporting. Its purpose is to safeguard the quality of our internal and external reports. The framework ensures that Royal FloraHolland has insight into the extent to which the organisation manages operational risks that could affect the reliability of financial and sustainability reporting.

In 2025, we plan to align the sustainability control measures with the entire reporting process, documented and tested for effectiveness through independent audits and self-assessments. The results of the audits and self-assessments are evaluated annually with the Executive Board and reported to the Supervisory Board.

Strengthening of the internal controls

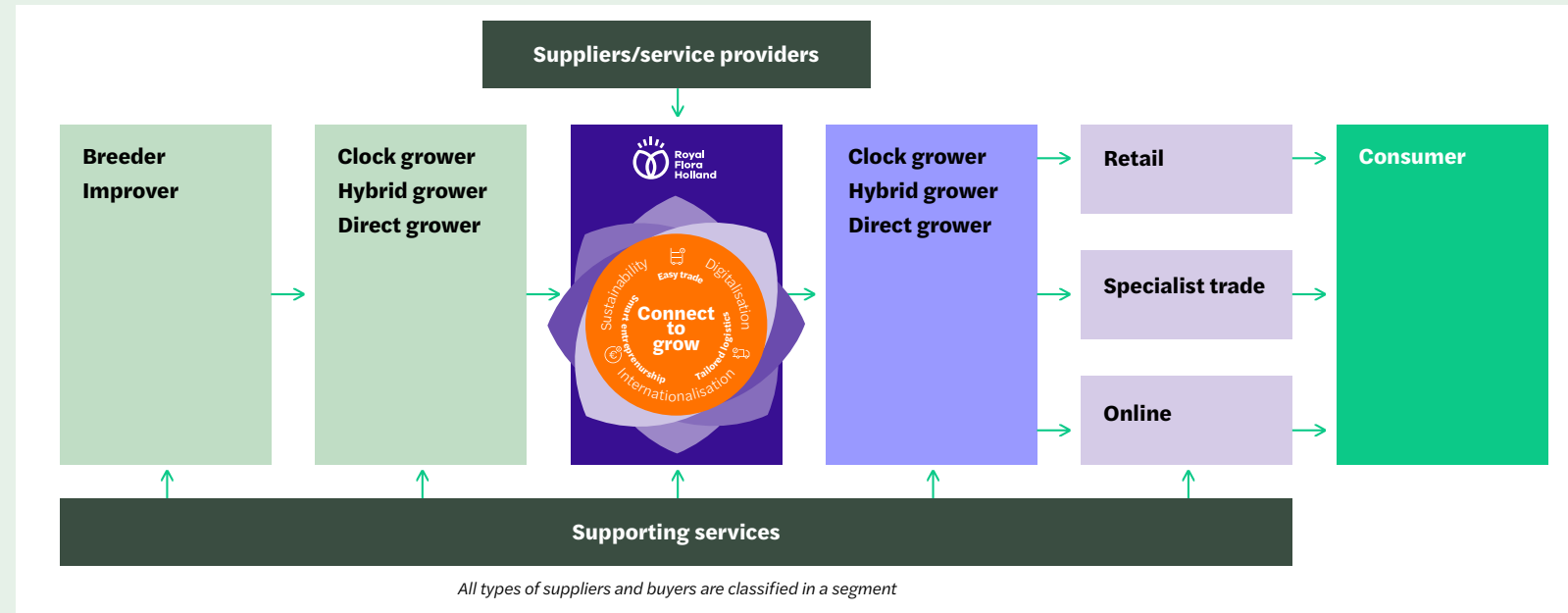
With these improvement measures, Royal FloraHolland aims to strengthen the internal controls and provide insight into our internal controls. Provided it makes economic sense, we will make every effort to improve through checks in automated systems and a reduction in manual checks. In 2025, we will systematically test the proper functioning of the processes that are intended to safeguard financial and non-financial data (such as sustainability data).

Strategy, business model and value chain (SBM-1)

Our vision is included in the chapter 'The Company' (see [page 18](#)). In addition, the value creation model on [page 7](#) and in the management report explain how Royal FloraHolland creates value based on its strategy and business model. The number of employees is listed under S1-6 (see [page 104](#)). The turnover is included in the financial report (see [page 115](#)).



Schematic and simplified representation of the floriculture value chain



Growers

Growers (producers) of flowers and plants are either supplier members or non-member suppliers of Royal FloraHolland. Suppliers can trade via the clock, direct sales or both. The members are represented by a Council of Members that is a reflection of the total membership. Members have the right to be consulted via the council and to influence important and strategic decisions made by Royal FloraHolland.

There are 27 Royal FloraHolland Product Committees (FPCs) for product-specific matters. The exchange of knowledge and information in the FPCs is a two-way process: members can raise issues and Royal FloraHolland provides detailed information about developments and encourages members to become more sustainable. The chapter on the cooperative (see page 26) describes how members can influence Royal FloraHolland.

Buyers

We discuss and test the interests of buyers and trading companies during various customer platforms. We regularly invite a selection of about thirty buyers – divided according to customer segmentation (clock, direct sales and hybrid) – for sessions in which they provide feedback. We also discuss strategic topics and important challenges for Royal FloraHolland. We conduct an annual customer satisfaction survey to determine whether member growers, non-member growers and buyers are satisfied with the various aspects of the cooperative and the services provided by Royal FloraHolland.

The turnover in relevant ESRS sectors is set out in the table below:

Operating income RFH (company) in Euro	Consolidated amount 2024	Consolidated amount 2023
Property rental	58,325	57,904
Road transport	43,577	51,225
Other operating income	382,747	346,340
Total	484,649	455,469

Interests and views of stakeholders (SBM-2)

Royal FloraHolland distinguishes five important stakeholder groups: growers, buyers, employees, floriculture sector partners and society. We regularly consult with all stakeholder groups and take their interests into account in strategic decisions about the cooperative and the company. The aim of stakeholder engagement is to increase the value Royal FloraHolland provides as described in the value creation model (see page 7).

Employees

The employee's council (OR) represents the interests of employees. In addition, employees are regularly invited to make their voices heard during employee sessions. The annual employee survey tests the enthusiasm and commitment of employees, addressing their interests and expectations. We incorporate the findings into the development and implementation of strategy and policy. The unions are our partners in the social dialogue and in establishing the collective labour conditions.

Partners in the floriculture sector

Our most important partners in the floriculture sector are the Association of Flower Auctions in the Netherlands (VBN), Plantion, Veiling RheinMaas (VRM), Transport en Logistiek Nederland (TLN), Floricode and Floridata, Greenhouse Horticulture Netherlands, the Association of Wholesalers in Floriculture Products (VGB), Plantum, the Florist Retailers Association (VBW), Tuinbranche NL, Union Fleurs, Copa Cogeca and the various Greenports (Greenport Aalsmeer, Greenport WestHolland and Greenports Nederland). We are working intensively and constructively with them on various themes in the floriculture sector that we can only tackle together. Within the Greenports, NGOs are becoming more closely involved in policy-making and issue management because society and the environment will play a greater role. Other organisations that are important to us are: the Flower Council Holland (BBH), the Foundation for Accelerators in Floriculture, the various scheme holders and certification organisations in our sector, such as the Floriculture Sustainability Initiative (FSI), GLOBALG.A.P., MPS, the Kenya Flower Council, EHPEA and Florverde. We also consult regularly with the Netherlands Food and Consumer Product Safety Authority (NVWA), Naktuinbouw, financiers and insurers, and discuss matters that are important for our company and the floriculture sector. We incorporate the contributions of all these partners in our strategy development and daily operations.

Royal FloraHolland works closely with the Foundation for Accelerators in Floriculture (Stichting Versnellers Sierteelt, SVS), which aims to contribute to the modernisation of the floricultural sector, including promoting sustainability in the floricultural production chain. For example,

SVS stimulates biodiversity in and around the nursery, water quality (with water coaches) and reducing the use of chemical crop protection agents.

Society

Royal FloraHolland, both on its own and in the Greenport context, has structural consultations with governments (municipalities, provinces, the national government and the European Union), politicians and NGOs. We also do this through specific partnerships such as the Delta Plan for Biodiversity Recovery. We initiate projects or participate in public-private partnerships for the benefit of the sector and our business operations. Wageningen University & Research (WUR) is an important research partner on topics such as sustainability and the economic profitability of the floriculture sector.

Taking interests into account

We take the sometimes critical comments from society about our sector seriously and are regularly consider them in our decision-making. We expressly choose to engage in dialogue with our stakeholders. Partly based on this, we shape the strategy and implementation of Royal FloraHolland's policy, which means that the interests and needs of our stakeholders are taken into account and have an influence. For example, in the development of Floriday, the priorities of customers/users (suppliers and buyers) have helped determine the further development. Many new functionalities have been developed in discussions with suppliers and buyers. This has enhanced the acceptance of Floriday.

In the double materiality analysis, we have openly discussed sustainability with stakeholders and how Royal FloraHolland can add the greatest amount of positive value. Based on these discussions, the selection of material topics has been adjusted and the associated impact, risks and opportunities have been adjusted.

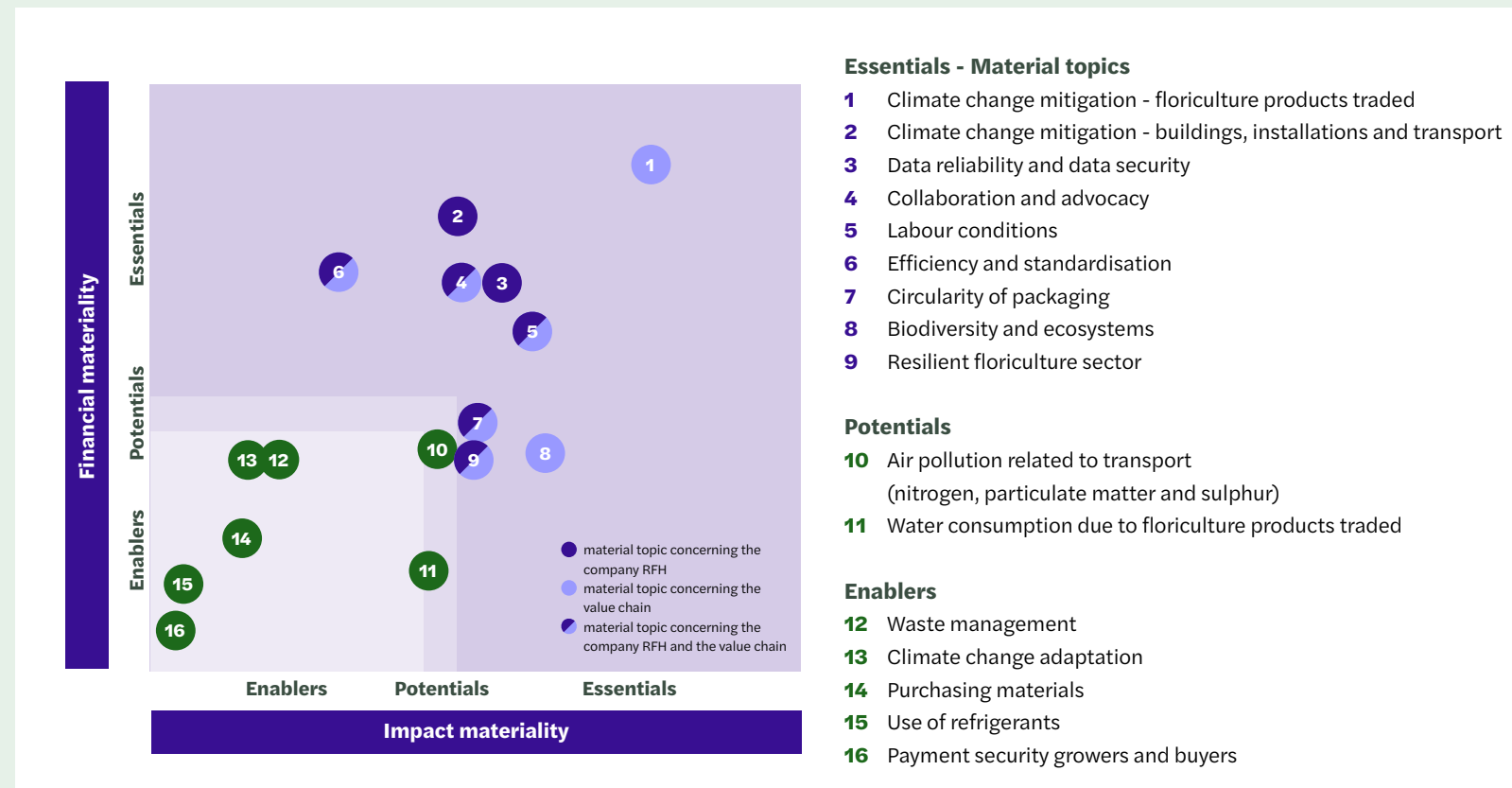
The Supervisory Board, the Executive Board and MT-RFH regularly discuss the views and interests of the various stakeholder groups and explicitly weigh them up in their decision-making. The Executive Board and MT members speak to the Council of Members and hear first-hand what is on the members'

minds. The management regularly consults with the OR, speaks with the most important partners in the sector and receives and visits civil servants and politicians. The Public Affairs manager regularly provides a written internal update on what is happening in politics and in society.



Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

Double materiality matrix



Essentials

The *essentials* – material topics – are the topics that score highest from the perspective of financial and impact materiality and are therefore material according to the ESRS methodology. These topics are now of material importance for the sustainable future of Royal FloraHolland and therefore also for the growers – and their customers (buyers) – who use Royal FloraHolland's platforms (digital and logistical). Focus on these material topics gives the cooperative (and the company RFH as part of this) and the sector direction in sustainable development in a world characterised by rapidly changing market demand and regulations in the field of sustainability. Royal FloraHolland will try to mitigate the impact and risks for these material topics as much as possible. We will utilise as many opportunities as possible and thereby create added value for our stakeholders.

Potentials

Potentials – potential topics – are not (yet) the highest priority. They are therefore not material and have not been included in the sustainability report. From the point of view of financial and impact materiality, they do have the potential to become a material topic in the medium to long term. That is why Royal FloraHolland will continue to track these topics closely and reassess them in the next double materiality analysis.

Enablers

Enablers – subjects that ‘enable’ – are subjects that Royal FloraHolland addresses, monitors and continuously manages, but that do not play a distinctive role. Their impact or financial consequences are limited. We recognise them as subjects that merit constant monitoring due to their importance for business continuity, the expectations of stakeholders and any (future) legal requirements.

Points of attention for the reader

This sustainability report includes a chapter for each material topic, in which we report according to the relevant standard (ESRS) and, where relevant, the Minimum Disclosure Requirements. This sustainability report follows the order of the standards (ESRS 1): General – Environment – Social – Governance. Each chapter is numbered according to the relevant material topic.

Material sustainability topics for Royal FloraHolland based on double materiality analysis

1 Climate change mitigation – floriculture products traded

This topic concerns the value chain.

RFH is a growers' cooperative with a digital and logistical platform that many growers use. Greenhouse gas emissions are often released during the cultivation and transport of floricultural products, which has an impact on climate change. The total greenhouse gas emissions of all growers trading on our platform are substantial. Despite the fact that Royal FloraHolland does not become the owner of the traded products and has no direct control over the processes at the growers in this regard, RFH sees opportunities and wants to use its influence where possible to help reduce greenhouse gas emissions from cultivation and transport by informing, facilitating and stimulating innovation.

2 Climate change mitigation – buildings, installations and transport

This topic concerns the RFH company.

Royal FloraHolland emits greenhouse gases through its buildings, installations and transport, and thus has an impact on the climate. The social attention for this topic is considerable, which determines the materiality. Royal FloraHolland sees opportunities to reduce greenhouse gas emissions in the coming years, to reduce energy consumption and to increase energy self-sufficiency.

3 Data reliability and security

This topic concerns the RFH company.

Data reliability and data security is a material issue for Royal FloraHolland. After all, disruptions and cybercrime on the digital trade channels are very harmful to trust and have significant impact. They also cause huge financial damage. The risks are: disruptions of ICT services, cybercrime and data leaks.

4 Collaboration and advocacy

This topic concerns RFH company and value chain.

Collaboration and advocacy focus on the sustainability and economic interests of our international B2B floriculture marketplace, the cooperative and the floriculture sector. Royal FloraHolland, with its unique and central role, has the opportunity and possibility to be involved in policy-making on subjects that may impact the cooperative, the management of the digital and logistical platform and the floriculture sector in general.

5 Working conditions RFH

This topic concerns the RFH company.

The labour conditions at RFH are a material topic due to their impact on the over 3000 employees who often do physical work and/or experience social impacts. We aim to reduce the physical and social risks for the people who work for us, and we want to reduce the risk of a shortage of employees (labour market tightness). We want to be and remain an attractive employer for our employees, so that people continue to work for us long-term and we can continue to attract talented new workers.

5 Workers in the value chain

This topic concerns the value chain.

Royal FloraHolland has a special position in the chain. We do not buy or sell floricultural products ourselves, nor do we produce them. As a result, we do not have a direct impact on those parts of the value chain. However, we are connected to those impacts, which relate to the physical and economic circumstances under which people work in the links of the chain. The main risks lie in the quality of the labour facilities offered and shortages of good workers in the sector. The opportunities lie in dialogue and cooperation to improve the working conditions of employees in the floriculture sector. The role that we see for ourselves is to use our influence to work with others to prevent and improve the impact of poor working conditions.



6 Efficiency and standardisation

This topic concerns RFH company and value chain.

Due to Royal FloraHolland's unique position, especially as a result of our digital and logistic platforms, we contribute significantly to the efficiency and standardisation of the floriculture sector. We see plenty of opportunities to take further steps together with our chain partners.

7 Circular economy of packaging

Transport packaging concerns the RFH company. Product packaging concerns the value chain.

The circularity of packaging is a material topic for Royal FloraHolland due to the large amount of material used and the risk of wasting raw materials. Royal FloraHolland sees opportunities for a more circular use of raw materials. As a central player in the chain, RFH can play a leading role in the transition to more circular packaging systems, which can reduce the environmental impact.

8 Biodiversity and ecosystems

This issue concerns the value chain (and to a very limited extent company RFH).

Floricultural products used effectively have the potential to make built-up areas and cities more pleasant, more liveable and more biodiverse. This is an opportunity for the floriculture sector. By facilitating trade in floricultural products, Royal FloraHolland has an impact on biodiversity, with a possible risk of damage to biodiversity and ecosystems. We see opportunities to facilitate and encourage growers to take measures to preserve and restore biodiversity.

9 Resilient floriculture sector

This topic concerns RFH company and value chain.

Subversive activities in the floriculture sector have an impact on society and constitute a risk for Royal FloraHolland and the floriculture sector. Royal FloraHolland wants to play a connecting role in strengthening the sector's resilience against subversive activities and to work together with chain partners to take action.

Description of the processes for identifying and analysing material impact, risks and opportunities (IRO-1)

Based on the knowledge of a previous materiality analysis, supplemented with our own calculations, literature research and discussions with internal and external stakeholders, we have assessed the most important impacts, risks and opportunities for Royal FloraHolland as a company, a cooperative and sector player. We looked at actual and potential impacts, risks and opportunities. The timeframe in which they (may) occur was also taken into account.

The double materiality analysis (DMA) was carried out based on the demarcation of the financial reporting. Based on the risks, this was expanded to include the value chain, both upstream and downstream. In doing so, we specifically looked at activities, business relationships, geographical locations and other factors that could result in a potentially increased risk or irremediable harmful impacts.

The process of identifying, assessing, prioritising and monitoring potential and actual impacts on people and the environment was informed by analyses from the FSI, VGB Accelerators and the IRBC floriculture sector covenant. We also used our own analyses.

With the help of this analysis, topics from the sub-subcategories of Annex B from ESRS 1 were selected based on their relevance to Royal FloraHolland. These topics were scored on the impact materiality and financial materiality factors. This provides insight into which topics should be considered material. The impact materiality factors are: relative scale, scope, remediability and probability. The financial materiality factors are the magnitude of the risks and/or opportunities and the probability. The positive and negative impact, the (possible) risks and opportunities and the (possible) financial impact were all considered. The average of these scores was calculated and the most important topics were selected.

In addition, the distinction between the topics over which RFH has control and the topics in the value chain where RFH can encourage and facilitate other parties was also taken into account.

The DMA working group (Executive Board and the MT-RFH, supplemented by the legal counsel, the manager of Real Estate & Facility Management, the sustainability manager, the Sustainability programme manager (CSR), the Finance manager and the Public Affairs manager) then used the topics as input for five work sessions in which the relative scores were discussed each time.

In June 2024, the DMA working group discussed a shortlist of sustainability topics with representatives of the five stakeholder groups (growers, buyers, employees, floriculture sector partners and society). These topics were discussed with the three customer platforms and the employees' council. Various sessions with representatives of growers, partners in the floriculture sector and social organisations also addressed topics from the shortlist. With input from the stakeholders, this led to a final DMA matrix and a decision on the material topics.

We have been identifying sustainability risks in the strategic risk assessment for several years. These risks have now also been included in the materiality analysis. Other types of business risks often also have an environmental or social component. The results of the double materiality analysis have been used as input for the strategic risk assessment, involving the same people from the Executive Board and the MT-RFH.

The working group jointly established this DMA and the nine material topics, with the described impact, risks and opportunities. The Supervisory Board validated these, and expressed its confidence in the process and the content.

With the help of the double materiality analysis, a number of important opportunities were brought into clearer focus. Most opportunities were already part of our annual management cycle. For the other topics, we have established KPIs and designated owners. This will enable us to make better use of these opportunities.

A person with final responsibility has been appointed for all material topics. This person will focus on limiting negative impact and risks and on increasing opportunities. Compared to 2023, this means that in 2024 policy and management on the material topics will be better embedded in the organisation. Our intention is to further develop and specify the impact, risks and opportunities in 2025.

General

Efficiency and standardisation

MDR (DMA 6)

This topic concerns the RFH company and the value chain.

Due to Royal FloraHolland's unique position, particularly through our digital and logistics platform, we make a significant contribution to the efficiency and standardisation of the floriculture sector. We see plenty of opportunities to take further steps in this area together with our chain partners.

Introduction

The world around us is constantly evolving. This is also the case in the floriculture sector. To be and remain the largest international B2B floriculture platform, we are developing the Royal FloraHolland platform with digital and logistical services, in which scalability and flexibility are the keys to success. We are responding intelligently to changing circumstances, which allows us to fulfil our role in the chain effectively and efficiently. We want to offer a wide range of services on our platform, from buying and selling methods to financial and logistical services, in order to support the entire chain. We offer solutions that meet the needs of both breeders and buyers, thereby contributing to the efficiency of the sector.

On [page 18](#) and following of the management report, you can find more information about customer promises, costs and result improvement programmes (Growth Plan, Fit For Future and RFH 2.0) and how Royal FloraHolland continuously focuses on efficient improvement.

Description of the most important policy lines 'Efficiency and standardisation' (MDR-P)

Royal FloraHolland's most important contribution to sector efficiency is the RFH platform, a modern B2B marketplace:

- 1) The physical hubs (Aalsmeer, Naaldwijk, Rijnsburg and Eelde): Royal FloraHolland brings together the supply of more than 3,000 growers and the demand of more than 2,000 buyers. The growers bring the product to be traded to the logistics hubs, where the buyers are physically located. As a result of this hub structure, maximum efficiency in the transfer of product from grower to buyer is achieved with a minimum of transport movements.
- 2) The digital trading platform Floriday: this is where transactions between growers and buyers are finalised and financial settlements take place. As a result of the digitisation of these trading processes, communication and data exchange take place flawlessly and efficiently.

Within this general framework, Royal FloraHolland has significant opportunities to contribute to efficiency and standardisation.

These may include:

- Reliable and standardised information about the product itself and its logistical processing: track & trace, on-time delivery, customer complaints and quality (QI)
- Standardisation of logistical resources such as packaging and trolleys, as well as providing central points for the collection and distribution of these logistical resources
- Standardisation of sustainability certification and footprint calculations
- Developing and implementing information standards in Floriday and digitalisation of information exchange
- Standardisation of trading conditions.

Royal FloraHolland's policy is aimed at ensuring that the logistical and digital platform has maximum support within the sector, so that the greatest possible number of growers and buyers make use of the services offered. Only then will the network effect take place and will chain efficiency be created. To this end, the services offered on the platform constantly have to be adjusted to changing market demand. In addition, the cost efficiency of the platform itself is a highly important point of attention.

For our trading partners, an optimal business climate must be realised at our hubs, keeping vacancy to an absolute minimum. Peaks in the sector lead to inefficiency in the logistical processes. That is why we will have to work hard to distribute the supply as evenly as possible across the available logistical hubs, to distribute trade as evenly as possible across the days of the week and to distribute the delivery of purchased products as evenly as possible across the day. The better we succeed in this, the more efficiently we will utilise the available space and resources, and the more efficient the logistical highway will be for the sector. As far as Floriday is concerned, it is about offering maximum and standardised functionality in the areas of data, communication, trading mechanisms and financial settlement of transactions.

Effective interaction between the digital trading platform and the logistical processing at the hubs is also crucial. We are seeing a sharp increase in the use of Floriday in the sector, which is resulting in maximum standardisation and efficiency.

Key actions 'Efficiency and standardisation' (MDR-A)

Our collective strength is evident in sustainable standardisation and supporting the entrepreneurship of users of our platform. This gives Royal FloraHolland an essential role in the floriculture ecosystem. Consider for example:

- the reusable logistical resources that all parties in the total chain use;
- auction regulations that offer growers collective legal protection;
- 100% payment security that provides predictable working capital for entrepreneurs;
- standard quality standards against which fresh supplies of flowers or plants are tested on a daily basis;
- simple and efficient handling of administration regarding orders on Floriday;
- required sustainability certification according to FSI requirements, for which agreements have been made in 2024.

To make this possible, Royal FloraHolland is a driving force behind the migration to a modern way of sharing information within the sector, API technology. The existing methods are no longer sufficient for this. Floriday, as the sector's digital infrastructure, is indispensable for digitising processes and making them more efficient. Royal FloraHolland's strength is also evident in the fact that our hubs are home to the most important buyers and many service providers. This ensures converging logistical flows and therefore efficient logistics.

Our actions on order picking and Select Delivery in 2024 are described in the management report on [page 36](#). This gives buyers more influence on the logistical flows of the products they purchase, allowing them to organise their processes more efficiently.

Floriday has accelerated the digitisation of the business operations of both growers and buyers. It has developed into an international sector platform with broad support among buyers and growers. Floriday offers a digital infrastructure that ensures that the entire chain works more efficiently. Both in the collaboration between and within companies. More and more growers and buyers indicate that thanks to Floriday they save a lot of time and therefore money. In 2024, buyers initiated 27 percent of orders via Floriday and 95 percent of all orders were settled via Floriday. By connecting transport companies to Floriday, buyers can have access to Track & Trace information with which they can optimise their internal processes. Growers could use Floriday to place a transport order linked to an order, instead of placing a transport order in a separate system. Royal FloraHolland works with a roadmap for new services and functionalities. This is continuously supplemented by growers and buyers, because Floriday is never finished.

We highlight two examples of standardisation here by way of illustration.

Quality policy and reliability indicator (QI-index)

Royal FloraHolland's quality policy is based on sector-standardised VBN specifications for reliable product and delivery information. The quality policy ensures that growers provide accurate and complete product information, in accordance with the intrinsic and visual condition of the product at the time of auctioning. In the event of deviations, Royal FloraHolland adjusts the information. We register this information under the name of the grower. This affects the Quality Index (QI) of the grower in question. This index provides insight into the accuracy and completeness of the information for each grower. When Royal FloraHolland has to adjust the supply information, a charge is levied on the grower. The QI determines the amount of this charge.

Royal FloraHolland supports growers with quality reports, telephone advice and physical assistance in improving product descriptions. Reliable information strengthens buyers' confidence in pricing and is essential for strategic projects such as the transition to 100% image auctioning. In addition, buyers rely on photos of flowers and plants instead of physical inspection.

In 2024, the quality policy fell under the responsibility of the CVO. This policy relates to the RFH platform and focuses only on clock transactions.

QI score	% growers	2024
A - more than 98.5% batches without deviation		44%
B - 98.5% to 94.5% batches without deviation		34%
C - < 94.5% batches without deviation		11%
No score If less than 50 batches have been entered		11%

The scores are based on data over 62 weeks (6 December 2023 through to 13 February 2024).

Sustainability certification

In March 2024, the management of Royal FloraHolland decided that by 2027, all growers trading through our platform must be fully certified according to the FSI standards (the FSI basket of standards). This will set a standard for the entire sector.

Its implementation will take place in two steps:

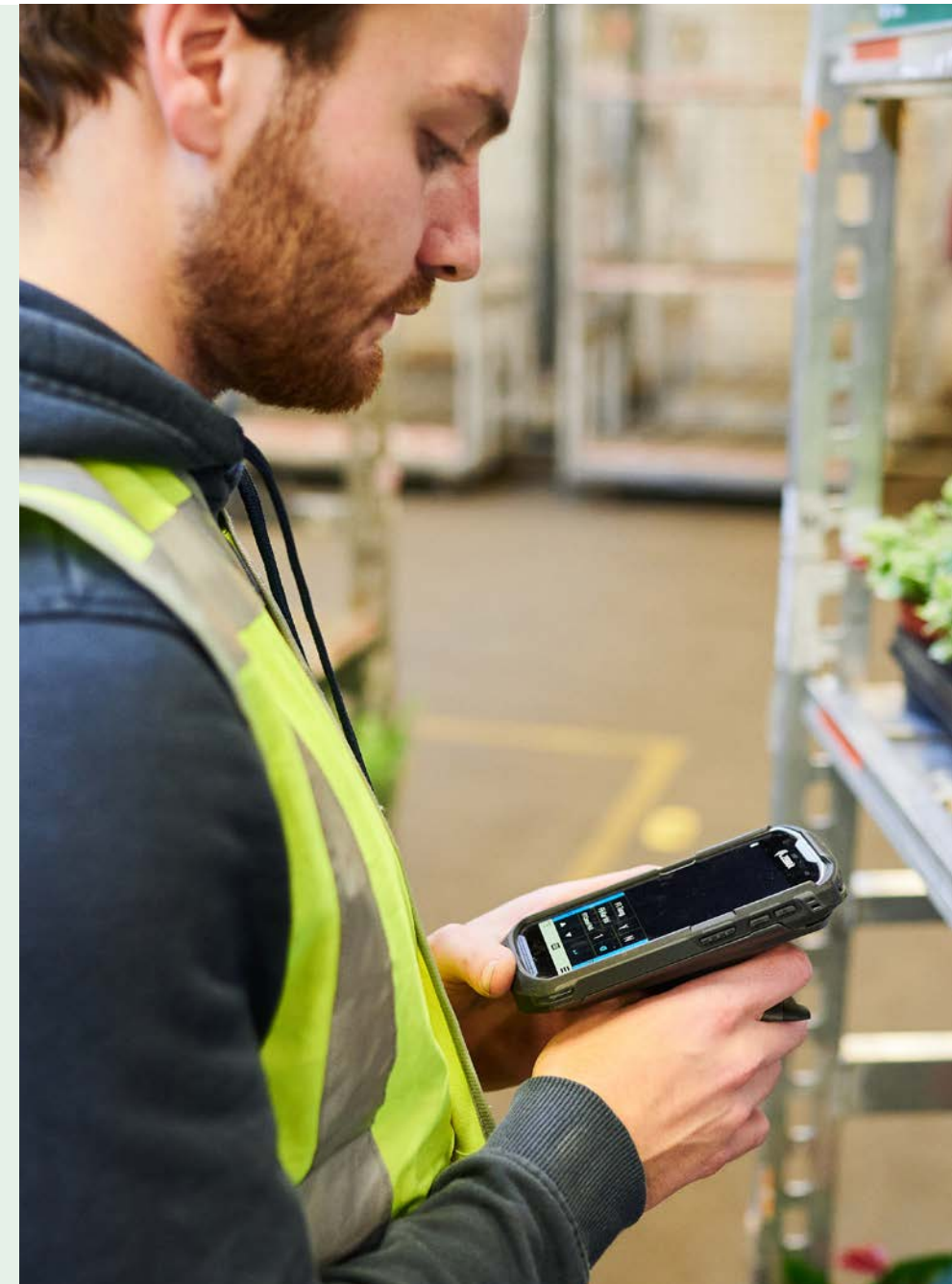
- 1) As of 1 January 2026: as a condition for trading and settling on the Royal FloraHolland platform (clock and direct), all members with Direct Focus, Direct Flex, Clock Flex packages and all non-member suppliers must demonstrably comply with the applicable FSI Basket of Standards certification requirements.
- 2) As of the beginning of 2027: members who choose the Clock Focus package will be given more time. They will be able to trade on the Royal FloraHolland platform without a certificate until at least 1 January 2027. The exact start date for certification in the Clock Focus package is linked to the availability of the modified FSI scheme. From the moment the modified FSI scheme for small-scale growers is available, small-scale member growers in the Klok Focus package must comply with the simplified FSI scheme within two years of that date, but no earlier than 1 January 2027. For the full certification policy, see the sustainability regulations of Royal FloraHolland (version March 2024). Standardisation of certification relates growers (members and non-members) and non-growing suppliers trading on our platform. We work closely with supply chain parties on certification: FSI, FSI Versnellers Handel and other trading companies, scheme holders, certifying bodies, etc.

The FSI basket of standards is an important standard. It applies internationally for certification of floricultural products (www.fsi2025.com/). FSI was founded in 2012 with the aim that the international floricultural sector works towards demonstrably responsible production of and trade in floricultural products. FSI operates a basket of standards that contains three types of schedules and certificates: environmental certificates, GAP certificates and social certificates.

Royal FloraHolland has committed to this basket of standards. The basket (and therefore the schedules and certificates) is evolving over the years. The FSI has a board with international board members who represent production, trade and/or special themes. The FSI has approximately ninety members who are invited to actively contribute their ideas on relevant topics. Royal FloraHolland is a member of the FSI and also has a delegate on the board as a representative of floriculture production North. This board member is also the treasurer.

FSI 2025	2024	2023
Percentage of product turnover FSI compliant	73.3%	70.2%

Royal FloraHolland uses many different metrics to measure its efficiency. We are also looking for opportunities to standardise things further. In 2025, the KPIs will be further developed to give stakeholders as much insight as possible into the development of our performance. We will also continue to monitor policy and measures based on goals.



Algemeen

Data reliability and security

MDR (DMA 3)

This topic concerns the company RFH.

This topic concerns the company RFH.

Data reliability and data security is a material topic for Royal FloraHolland. After all, disruptions and cybercrime on the digital trade channels are very harmful to trust and have a major impact. They also cause huge financial damage. The risks are: disruptions to ICT services, cybercrime and data leaks.

On the other hand, the opportunities of data reliability and security are also significant. Royal FloraHolland offers a safe environment in which platform users want to share data. Good data reliability therefore also offers market opportunities, for example because (digital) propositions can be made. We ensure that the trade in floricultural products runs smoothly and without interruption. Moreover, our network position in the sector allows us to raise awareness of cybersecurity among growers and buyers.

Policy adopted for managing data reliability and data security (MDR-P)

Royal FloraHolland is committed to managing potential cyber threats that could limit the continuity of business operations. We have drawn up an information policy to ensure data security. This policy guarantees the careful use of data and regulates its distribution. It applies to the RFH platform, to Floriday and to the components that use the IT services of the RFH platform. The Chief Information Officer (CIO) has final responsibility.

In addition, the Chief Information Security Officer (CISO) and the CISO Office play a crucial role in the internal supervision of the information security processes. This officer plays a leading role in managing cyber risks. Furthermore, the data committee is crucial for supervising data governance and for supervising the functioning of the information policy. Royal FloraHolland's Information Security Management System (ISMS) is founded on market-based standards, such as ISO 27001 and other widely accepted standards.

Royal FloraHolland wants to prevent disruptions due to cyber incidents. Although these incidents can never be completely avoided, it is our job to minimise the impact on the business operations of our members and customers in the event of any disruptions. Availability, data security and data integrity are therefore paramount in all our digital services. This is laid down in our information policy that guarantees the use and distribution of data. Trust in data and data protection are crucial for our customers when they use our services. Royal FloraHolland complies with all laws and regulations in the areas of privacy, competition and data security. Ensuring a security-oriented culture and effective risk management is essential for protection against cyber risks.

Our IT systems have cybersecurity capabilities: they are protected by preventive, detective and responsive technologies and controls. We detect risks by actively monitoring identified threats and responding effectively by resolving and investigating security incidents. In addition, our risk management measures are designed to facilitate recovery when cyber risks occur. Examples include organised business continuity management and Disaster Recovery Plans.

In addition, we ensure that our systems comply with current data security and data integrity standards. We implement advanced security measures and conduct regular audits to ensure that our data protection practices are up to date and effective. Our customers and members can rest assured that their data is in safe hands with us. They can also be confident that we are constantly working to improve our security protocols to offer them appropriate protection.

Actions and resources related to data reliability and data security (MDR-A)

By 2024, we will have increased our cyber resilience, fuelled by internal and external motivation. Examples of key initiatives are:

- A new cybersecurity e-learning programme has been developed, focusing on the most vital functions and managers. This is in addition to the mandatory phishing simulations to increase cyber awareness. In the e-learning, we will discuss, among other things, how we deal with the exchange of information.
- Royal FloraHolland participated in Security Week, specifically focused on the theme of cyber security.
- The use of log sources and use cases for our Security Operations Centre (SOC) has been expanded, improving the detection of suspicious behaviour.
- The Security BIA process has been further developed. This allows new processes to be assessed, ensuring compliance with security requirements, guidance for owners with best practices and compliance with existing software.

Metrics for data reliability and data security (MDR-M)

Royal FloraHolland ensures thorough data reliability and data security by focusing on preventing incidents that could have a significant impact on business operations and by having our information policy audited annually by an independent auditor. We carefully track the operation of the Royal FloraHolland Information Security Management System (ISMS) with internal quarterly reports.

Tracking effectiveness of policy and actions through targets for data reliability and data security (MDR-T)

Disruptions and cybercrime on our digital trading platform undermine trust. They can also cause significant financial damage in the sector.

Royal FloraHolland is aiming for the following targets:

- No cybersecurity incidents with a significant impact on business processes.
- External audit showed no material findings on data management policy and implementation in line with the information policy.

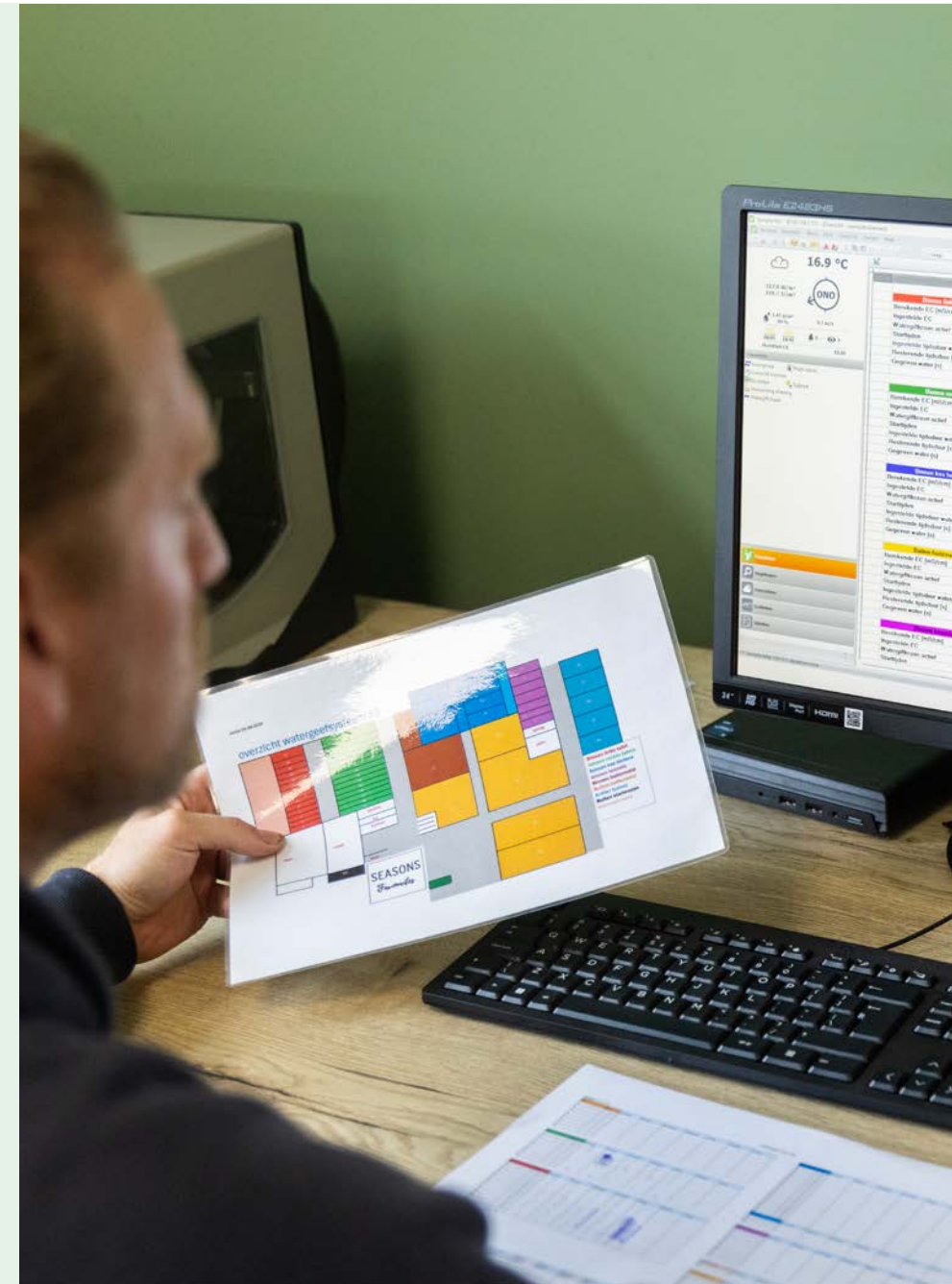
Both goals were achieved in 2024, as was the case in 2023.

This policy and these objectives apply to the RFH platform, to Floriday and to the business units that use the IT services of the RFH platform. The baseline value is a maximum of two incidents with a significant business impact per year. Internally, we report on the internal security indicators on a quarterly basis.

The Royal FloraHolland Information Security Management System (ISMS) is based on market standards such as ISO 27001 and other widely accepted standards.

The policy and the objectives of the information policy have been discussed with the members. Royal FloraHolland takes an active position on raising awareness of cybercrime. This is evident in our involvement as a participant in the Greenport cyber resilience centre. The aim of this is to make the floriculture sector more resilient to cybercrime.

In 2024, there were no changes in the objectives, methods, assumptions, limitations, sources and processes in the field of data reliability and data security, nor are any planned for 2025. We will continue to optimise processes to keep up with the needs of our business and sector.



Environment



Environment

Climate change mitigation – buildings, installations and transportation

ESRS E1 (DMA 2)

This topic concerns the company RFH.

Royal FloraHolland emits greenhouse gases through its buildings, installations and transport and therefore has an impact on the climate. Attention in society for this topic is considerable, which determines its materiality. Royal FloraHolland sees opportunities to reduce greenhouse gas emissions in the coming years, reduce energy consumption and increase energy self-sufficiency.

Transition plan for climate change mitigation (E1-1)

Royal FloraHolland has approved a transition plan for climate change mitigation for 2024. It is in line with the 1.5 degree scenario from the Paris Climate Agreement. The transition plan not only follows the EU Fit For 55 package, but also the Dutch objectives for the built environment and logistics sector, tested against the scientific reduction pathways of the Science Based Targets initiative (SBTi).

The plan rests on three main pillars: general policy, the built environment and transport. For general policy, from June 2024, sustainability will be given attention in all investment plans where relevant. Royal FloraHolland also uses an internal energy price that reflects the actual costs including the ETS price. In addition, the sustainable procurement policy (started in 2023) has been and will be further developed, with a focus on circularity of materials and installations. In collaboration with our waste processor, we are optimising waste management with a uniform system for all hubs.

Royal FloraHolland is committed to four strategic pillars for the built environment. The first is space optimisation through more efficient use of logistics space and smart inventory management (RFH 2.0 programme). The second is a focus on energy conservation, including the installation of LED lighting and awareness campaigns. The third pillar is sustainable power purchasing, currently via PZEM's power label, which provides CO₂-neutral energy from the Borssele nuclear power plant, among other sources. Finally, under the direction of an energy manager, energy management is being professionalised with regular reports to the Sustainability Board.

In 2024, Floriway took important steps in the area of productivity improvement and thus worked on the sustainable deployment of people and materials (for example, increasing the load factor). In the coming year, Floriway will continue to work on possible measures for reducing emissions.

The transition plan takes into account 'locked-in' emissions: the unavoidable emissions from existing installations and vehicles. For the buildings, the economic lifespan of many heating systems has expired. This offers

opportunities for phased sustainability improvements until 2042. At Floriway, this concerns a large part of the vehicle fleet, which is not yet ready for replacement. The Sustainability Board coordinates the implementation of the plan. The Real Estate & Facility Management manager is responsible for the built environment, while the general director of Floriway manages the transport component. The Sustainable Development and Quality department supports all business units. Progress is reported every six months.

The plan was developed in close cooperation with internal experts and external advisors. Although Royal FloraHolland has already taken important steps, such as policy changes and organisational adjustments, the organisation recognises that the really big changes are yet to come. The transition plan has already led to a growing awareness within the organisation and a clear direction for the future.

Policies related to climate change mitigation (E1-2)

The floriculture sector faces major challenges when it comes to its contribution to combating climate change. As the world's largest international B2B floriculture platform and cooperative, Royal FloraHolland can and wants to play an important role in this. The sector has a significant impact on the climate, particularly due to greenhouse gas emissions during cultivation and transport. This is because floricultural products are often sold in areas that are not optimal for local production. This leads either to CO₂-intensive local cultivation or to high transport emissions.

Royal FloraHolland's own CO₂ emissions and energy consumption are mainly the result of gas consumption for heating buildings and hot water. The electricity for cooling, logistics, lighting and business processes in the buildings comes from completely emission-free production sources and does not result in the emission of greenhouse gases. The Aalsmeer and Naaldwijk locations fall under the European Emissions Trading System (ETS) based on the installed gas-fired capacity for heating buildings. In addition, the transport company Floriway contributes to CO₂ emissions through the use of transport fuels.

The Dutch glasshouse horticulture sector, which includes many of the Dutch members of the cooperative, has committed to climate neutrality by 2040. However, the attention paid to sustainability varies greatly per market. As a Dutch organisation, Royal FloraHolland has to deal with European and Dutch laws and regulations regarding the energy transition. Although there are no concrete Dutch legal CO₂ reduction measures, Royal FloraHolland must comply with the Energy Efficiency Directive (EED). We must also take energy-saving measures that can be recouped within five years. New European legislation (EPBD IV) is being developed for the built environment, and ambitious targets for CO₂ reduction in new vehicles have been set for the logistics sector for 2023.

The transition is complex due to various factors. The global market is experiencing varying transition speeds, energy prices are uncertain due to geopolitical developments and grid congestion is hindering electrification. Nevertheless, Royal FloraHolland sees opportunities: a climate-neutral product can strengthen the sector's reputation.

Actions and resources in relation to climate change policies (E1-3)

For the built environment and installations of Royal FloraHolland, there are various plans to reduce greenhouse gas emissions in the coming years. The most important measures are:

- **No investments in new or temporary installations that run on fossil fuels.** Royal FloraHolland will not invest in new or temporary installations that run on fossil fuels, but will instead invest in sustainable alternatives. This step-by-step transition from natural gas to electricity will ensure that by 2042 (when the last gas-fired installation reaches the end of its lifespan) the company will be close to achieving net zero emissions.

- **Accelerated electrification.** In addition to the goal of sustainability, switching from gas-fired heating systems to electrical solutions can be an attractive business case because it eliminates the need to purchase CO₂ rights and reduces additional administrative burdens. Accelerated electrification also offers the potential for long-term cost savings and reduced dependence on fossil fuels. Challenges include the significant capital investments required and potential limitations in the capacity of the electricity grid.
- **Energy savings.** An expert group on energy saving will advise on the implementation of the energy saving policy. This will be coordinated with the maintenance plan. Additional investments will be identified.
- **Energy management.** This concerns the implementation of a systematic energy management system to continuously monitor, analyse and report on energy consumption. This will provide better insight so as to identify and address energy waste, which leads to significant savings. By 2025, we expect the energy management system to reduce energy consumption and offer opportunities for optimisation.
- **Maximise efforts to reuse waste heat.** Waste heat released from processes or installations is collected and reused for heating or other purposes, reducing the need for additional energy generation and lowering emissions.
- **Match processes and installations to energy availability and price.** The operation of processes and installations is geared to the availability and price of energy, for example by making more use of energy during off-peak hours or self-generated solar energy. This improves cost efficiency and utilises renewable energy sources more effectively, which leads to lower energy costs and a reduction in emissions.
- **Improve the energy performance of buildings.** Measures such as better insulation, more efficient heating and cooling systems and the use of energy-efficient lighting reduce energy demand, improve the indoor climate and provide significant energy savings, while also reducing greenhouse gas emissions.

We are considering the following measures to reduce our scope 3 emissions (emissions in the supply chain and other processes outside the organisation's direct control). We involve suppliers and logistics partners in our sustainability initiatives. The goal is to reduce emissions that arise from, among other things, the hiring of ICT services, the hiring of temporary workers, waste processing at the hubs, the use of packaging materials and the energy consumed by tenants of our spaces.

Targets related to climate change mitigation (E1-4)

Royal FloraHolland and its subsidiaries are committed to the European Fit For 55 goals, in line with the Paris Climate Agreement. This means a 55% reduction in CO₂ emissions by 2030 compared to 1990. The aim is also to achieve the 2050 goal of net zero emissions.

There are no specific scope 2 targets because Royal FloraHolland has been purchasing electricity from green and carbon neutral suppliers since 2020. The impact of the emission reduction has already been realised through this conscious choice for sustainable energy sources.

We expect to achieve a 4.6% reduction in emissions for the built environment and installations by 2025 by optimising the use of geothermal energy, washing buckets at lower temperatures and reducing the use of natural gas in the summer.

For Floriway, we are aiming for a 3.9% reduction in emissions. We expect to achieve this through a combination of better planning, more economical driving and possibly by scaling up biofuels.

We expect to be able to achieve a 2.5% reduction in emissions in scope 3. This will be achieved through a combination of a sustainable procurement policy and developments at our suppliers who are also working on the transition.

For scope 1 emissions, we apply the Dutch policy guideline of an annual average linear reduction of 4.6% until 2030 compared to 2019. For Floriway, the ambition is a 3.9% reduction.

Within scope 3, we focus on reducing indirect emissions in the supply chain and other processes outside the organisation's direct control. For scope 3, we have an ambition of an average reduction percentage of 2.5% per year, in line with the SBTi regulations. For RFH, this means involving suppliers and logistics partners in its sustainability initiatives. We are still in the early stages of this process. A start will be made on this in 2025.

In addition to reducing emissions, Royal FloraHolland has set itself other climate-related goals for the years ahead. For the energy consumption of the built environment and installations, a required number of kWh/m² per year is calculated for the heating and cooling of the surfaces. Royal FloraHolland follows the objective of the Dutch Green Building Council to achieve the 'economical building' category of the Real Energy Intensity Indicator (WEiiscore). For the type of buildings and functions of Royal FloraHolland, this means a maximum average energy consumption of 55 kWh/m² of purchased fuels for the built environment and installations in 2040. To achieve this, we use a linear reduction of 3 kWh/m² per year.

Demarcation of emissions calculation

Royal FloraHolland's emission figures relate to the hubs Aalsmeer, Naaldwijk, Rijnsburg and Eelde. They include the consumption of fossil fuels, lease cars, refrigerants and electricity. 2019 has been chosen as a representative baseline year because the total energy consumption and product turnover in the previous years were stable and did not deviate significantly. This offers a solid starting point for further increasing sustainability.

Royal FloraHolland's scope 1 includes the direct greenhouse gas emissions resulting from its own business activities. This includes the use of natural gas for building heating and the diesel consumption of the transport company Floriway. Part of the natural gas is supplied to tenants, and the related emissions fall under scope 3.

For a consistent calculation, Floriway's diesel consumption has been recalculated from 2023 to 2019. In addition, the use of refrigerants in cooling installations and the emissions from lease cars also belong to scope 1. Scope 2 includes the indirect emissions of purchased heat, cold and electricity for the Royal FloraHolland, Floriway and CAAC hubs. Only the electricity that Royal FloraHolland itself consumes is included, not the electricity supplied to tenants (which falls under scope 3).

The demarcation of scope 3 follows the financial reporting and operational control of Royal FloraHolland, Floriway and CAAC. In accordance with the GHG protocol, we report on the largest scope 3 categories: 1, 2, 3, 4, 5, 7, 12 and 13.

Energy consumption and mix (E1-5)

The weather affects our gas and electricity consumption. The colder it is, the more gas is consumed to heat the buildings, and the warmer it is, the more electricity is used for the cold stores. Royal FloraHolland took important steps in the area of energy saving in 2024, despite the fact that 2024 was, on average, slightly colder than 2023. Gas consumption in 2024 was 8.3% lower than in 2023, which was related to the energy-saving measures that were taken. The target to reduce the purchase of electricity for own use by 5% was easily achieved. 6.5% less electricity was purchased, which was down to various measures taken, including switching off the temporary cooling installation in Naaldwijk, the installation of extra LED lighting and previously introduced energy-saving measures. While the goal for 2024 was to save electricity, a broader goal has been formulated for 2025: a reduction of the total energy consumption by 3 kWh/m².

Sustainable energy plays an important role in the current energy mix. Approximately 10.1% of electricity consumption is covered by our own solar panels and 5.9% of the total heating demand is covered by geothermal energy. Royal FloraHolland also uses nuclear energy, which releases virtually no CO₂ or other greenhouse gases.

Royal FloraHolland continues to invest in sustainability. In Aalsmeer, preparations have begun to replace a large heating system with a more sustainable alternative. In addition, tests are being conducted to allow the bucket washing system to operate at a lower temperature. This is expected to result in significant savings in natural gas consumption. Increasing the share of renewable energy remains a priority for Royal FloraHolland.

Energy consumption		
RFH Group, in MWh	2024	2023
Energy from fossil sources:	79,118	89,537
% of total	52%	53%
Energy from nuclear sources:	62,027	67,397
% of total	41%	40%
Energy from sustainable sources:	10,506	11,100
% of total	7%	7%
- Sustainable fuel	-	-
- Purchased sustainable energy	3,514	3,656
- Self-generated sustainable energy	6,992	7,444
Total energy consumption	151,651	168,034



Gross scope 1, 2, 3 emissions and total greenhouse gas emissions (E1-6)

Method

Greenhouse gas emissions are calculated according to the Corporate Standard methodology of the Greenhouse Gas Protocol¹ (GHGP) with an operational control approach². To aggregate the impact of the different GHGs are added up, emission figures are converted to CO₂ equivalents using emission factors from mainly public sources.

The scope 3 demarcation, like the scope 1 and 2 demarcation, follows the financial reporting. It concerns the main company with the associates over which there is operational control, Floriway and CAAC. In line with the GHGP, there are 15 subcategories within scope 3. We report on scope 3 categories that are larger than 0.5% of the total or that are clearly transparent.

ETS

Royal FloraHolland's logistics hubs in Aalsmeer and Naaldwijk fall under the ETS system, due to the maximum capacity of the installed gas boilers.

Greenhouse gas emissions Royal FloraHolland per scope and total

Emissions RFH Group			2024	2023
in tonnes of CO ₂ equivalents				
Scope 1 GHG emissions				
(a)	Gross scope 1 GHG emissions		16,749	19,825
	Percentage of scope 1 GHG emissions from regulated emission trading schemes (ETS) (%)		0%	0%
Scope 2 GHG emissions				
(b)	Gross scope 2 GHG emissions	Location	27,966	26,229
		Market	0	0
Significant scope 3 GHG emissions				
(c)	Gross scope 3 GHG emissions		64,447	48,405
	1. Purchased goods and services		25,473	25,740
	2. Purchased goods		18,903	1,876
	3. Fuel and energy-related activities (not in scope 1 and scope 2)		4,205	4,438
	4. Downstream transport		1,585	2,010
	5. Waste generated during operations		1,813	1,858
	6. Business trips		204	297
	7. Commuting and working from home		3,021	2,409
	12. End-of-life processing of sold products		2,166	2,246
	13. Downstream leased assets		7,078	7,531
	Share in scope 3 based on primary data		73%	
Total GHG emissions				
(d)	Total GHG emissions (location-based)		109,161	94,459
	Total GHG emissions (market-based)		81,195	68,230

Climate change mitigation and adaptation targets

Royal FloraHolland and its participations are committed to the European Fit For 55 targets, in line with the Paris Climate Agreement. This means a 55% reduction in CO₂ emissions by 2030 compared to 1990. The aim is also to achieve the 2050 target of net zero emissions.

Progress and plans by 2024

Scope 2

There are no specific scope 2 targets, as Royal FloraHolland has been purchasing electricity from green and carbon-neutral suppliers since 2020. The impact of emission reduction has already been realised through this conscious choice of sustainable energy sources.

Progress and plans in 2024

Scope 1

Scope 1 of Royal FloraHolland includes the direct greenhouse gas emissions resulting from its own business activities. This includes the use of natural gas for building heating and the diesel consumption of transport company Floriway. Part of the natural gas is delivered to tenants and the related emissions thereof fall under scope 3.

Since 2019, Royal FloraHolland has made significant strides in reducing scope 1 emissions for the built environment, with a 27% reduction until 2024. This reduction has been achieved by:

- Reducing natural gas use: 23% less in 2024 compared to 2019.
- Improvements in energy management: including through solar power generation, more efficient use of existing facilities, and active monitoring of energy consumption.
- Gradually making systems more sustainable: With a focus on replacing fossil fuels and investing in energy-efficient technologies.

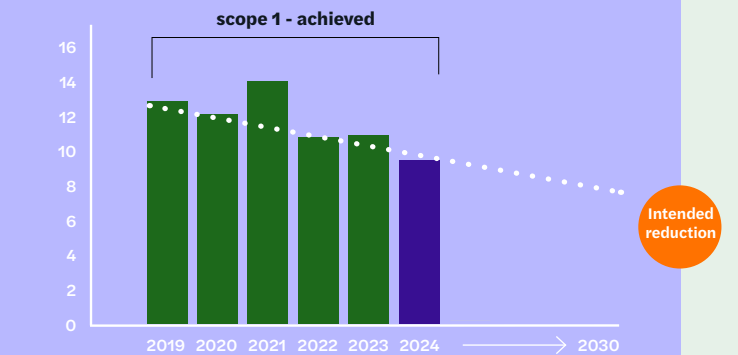
The main plans for the future are: electrification of heating and cooling systems, energy-saving measures and waste heat reuse. These measures contribute to the planned annual reduction of 4.6%.

4,6%

Annual reduction (buildings and installations)

Scope 1 emission reduction target

Buildings and installations (x1000)



Intended reduction

Progress and plans by 2024

Scope 3

Scope 3 includes emissions in the supply chain and other processes outside Royal FloraHolland's direct control.

Since 2019, Royal FloraHolland has reduced its scope 3 emissions by 7%. The main causes of this reduction were:

- Optimised purchasing and use of packaging: Reduced use of single-use packaging and more focus on reusable solutions.
- More efficient waste processing: Improved recycling and waste separation, including through innovative techniques and partnerships with waste processors such as Facilicom.
- More efficient energy use by suppliers.
- Reduction of indirect emissions from energy-related activities thanks to sustainability in the energy sector.

Key plans for the future are:

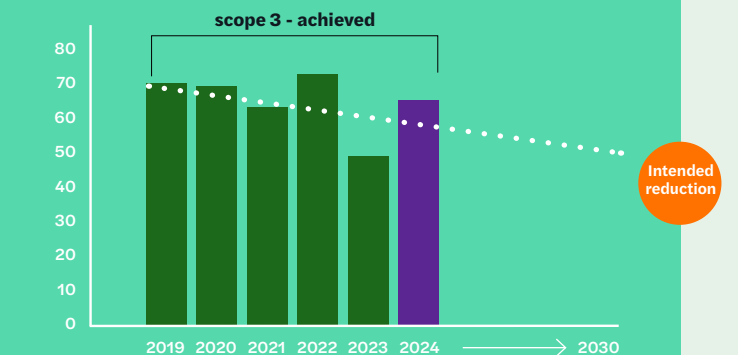
- Discussing reduction targets with suppliers, stimulating innovation in packaging and reducing emissions from commuting and transport. These measures contribute to the planned annual reduction of 2.5%.

2,5%

Annual reduction ambition

Scope 3 emission reduction ambition

Royal FloraHolland (x1000)



Intended reduction

Environment

Climate change mitigation – floriculture products traded

MDR (DMA 1)

This topic concerns the value chain.

RFH is a cooperative of growers with a digital and logistics platform, which many growers use. Growing and transporting floriculture products often emits greenhouse gas which has an impact on climate change. The total greenhouse gas emissions of all growers trading on our platform is substantial. Despite the fact that Royal FloraHolland does not own the traded products and has no direct control over the growers' processes in this regard, RFH sees opportunities and wants to use its influence where possible to help reduce greenhouse gas emissions from growing and transport by informing, facilitating and encouraging innovation.

Policies adopted to manage climate change mitigation - floriculture products traded (MDR-P)

Royal FloraHolland does not own the traded products and has limited influence over greenhouse gas emissions from the production and transport of floriculture products. Therefore, these emissions do not fall within Royal FloraHolland's scope 3. Nevertheless, by virtue of its central role Royal FloraHolland endeavours to reduce greenhouse gas emissions to the extent possible. This concerns greenhouse gas emissions caused by the production and transport of floricultural products that are traded via our digital and logistics platform. This is a material topic. After all, Royal FloraHolland is a cooperative of growers, with Royal FloraHolland's business within the cooperative facilitating the trade in floricultural products and generating income from it. From its sphere of influence, RFH would like to contribute to the Paris Climate Agreement and the Covenant Energy Transition Glasshouse Horticulture 2022-2030 to lower greenhouse gas emissions.

Royal FloraHolland's policy includes the following elements:

- Reducing the impact and risks in the floriculture chain from production to trade and seizing opportunities to reduce greenhouse gas emissions from floriculture products.
- Inform and facilitate growers and buyers. We also share knowledge and accelerate innovation.
- Making greenhouse gas emissions in the chain of floriculture products transparent for both growers and buyers.
- We encourage growers to reduce their environmental impact and explore possibilities to make the environmental impact visible on Floriday through the FloriPEFCR single score (which includes greenhouse gas emissions).
- Investigate possibilities to reduce the extent of aviation emissions. This includes examining the extent to which sea freight can be stimulated.

The policy covers all floriculture products traded across our platform. Until the end of 2024, the Chief Grower Officer (CGO) was responsible for the sustainability portfolio. From 2025, this portfolio will fall directly under the Executive Board (CFO).

Actions and resources related to climate change mitigation - floriculture products traded (MDR-A)

Royal FloraHolland focuses on measures that contribute to lower greenhouse gas emissions from the floricultural products traded through our platform. These measures consist of:

Facilitate

- Intensive cooperation with sector and chain parties (Stichting Versnellers Sierteelt, Glastuinbouw Nederland (GTNL), FSI, Versnellers Handel Sierteelt, municipalities, provinces and Greenports) to arrive at structural and practical solutions throughout the chain.

Inform

- Develop reliable FloriPEFCR-based models to accurately calculate greenhouse gas emissions related to the production and transport of floriculture products.
- Share knowledge on the need for lower-emission cultivation and transport.

Stimulating innovation

- Encourage the use of FloriPEFCR by growers and buyers.
- Contribute to lower greenhouse gas emission transport solutions, including exploration of mitigation of air transport emissions.
- Aiming for a transition to zero emission road transport.

The actions are undertaken by Royal FloraHolland as a cooperative. The focus is on facilitating and encouraging the reduction of greenhouse gas emissions from the production of flowers and plants. After all, growers have the most control over how emissions from production can be reduced.

Metrics for climate change mitigation - floriculture products traded (MDR-M)

Royal FloraHolland focuses its efforts on reducing greenhouse gas emissions from floriculture products and takes responsibility in this area as a chain partner. Most of these emissions are caused by gas consumption in European greenhouses during production and by transport of floriculture products grown outside Europe and transported via international air freight. We support the growers to obtain insight in the impact of their businesses in this context.

To better understand the exact greenhouse gas emissions of the floriculture products traded through our platform, Royal FloraHolland is working closely with Wageningen Economic Research (WEcR). Together, a research project was initiated to study the impact of average emissions per group of ornamental plant products. In this way, greenhouse gas emissions in the chain can be estimated. The project was set up on the basis of the official Product Environmental Footprint Category Rules (PEFCR). It focuses specifically on greenhouse gas emission hotspots in the floriculture sector and is intended as a basic calculation, in anticipation of more detailed emission factors becoming available as more growers adopt the FloriPEFCR methodology.

The calculation method used is as follows: the number of products supplied is multiplied by the CO₂ emission factor for each product group. The challenge lies in finding and assigning the right emission factor per product group, pot size or crop. Focus is on the products traded on the RFH platform via the clock or directly.

The calculation follows a chain analysis that includes all phases of the life cycle. These include the purchase of young plant material, cultivation, packaging and transport to the hubs, transport to the end customer, the stage at the consumer, waste of the product and disposal of the product as (residual) waste. The results of the calculation are broken down by national and international production, and the three product categories: cut flowers, indoor plants and garden plants. For each category and origin, the top ten products (based on average unit numbers sold over the past three years) and one other category are included.

With the Energy Transition Covenant Greenhouse Horticulture 2022-2030, co-signed by RFH as a supporter on 22 November 2022, we endorsed the ambition to reduce emissions in line with the Paris Climate Agreement targets.

Royal FloraHolland will be active to helping achieve a reduction in greenhouse gas emissions from the traded floriculture products in the chain in the next few years through collaboration, transparency and offering tools and facilities to growers and buyers.

Tracking effectiveness of policies and actions through targets for climate change mitigation - floriculture products traded (MDR-T)

The greenhouse horticulture sector's goal is to be climate neutral by 2040, as set out in the Energy Transition Covenant Greenhouse Horticulture 2022-2030. Royal FloraHolland supports this goal. It is in line with scientific recommendations and the Paris Climate Agreement.

The Dutch government, Glastuinbouw Nederland and Greenports Nederland have committed to these goals and are supported in this by Royal FloraHolland. In addition, we advise the Transition Board Energy Transition Glasshouse Horticulture on request and on our own initiative.

We are in the early stages of developing methods to assess the effectiveness of our policies. The effectiveness of our policy and the actions we have taken (facilitating, informing, and encouraging innovation) is currently not easily measurable and transparent. Current calculations are partly based on older cultivation data, which limits accuracy. In the future, the model to be developed will be improved and made more accurate based on the FloriPEFCR. In doing so, up-to-date emission factors can be used and the impact of sustainable measures at growers will be directly included in the calculations.

Many and good steps are being taken from within the sector to reduce greenhouse gas emissions. For many growers, sustainability is an integral part of their operations: from the use of materials and gas consumption to the method of cultivation. In addition, many growers are committed to more sustainable production with geothermal energy, heat and cold storage (WKO systems) and heat grids for heating. In terms of lighting, many growers are switching to energy-efficient LED lighting.

Environment

Biodiversity and ecosystems

ESRS E4 (DMA 8)

This topic concerns the value chain (and to a small extent the company RFH).

Floricultural products used properly have the potential to make built-up areas and cities more pleasant, liveable and biodiverse. This is an opportunity for the floriculture sector. By facilitating trade in floriculture products, Royal FloraHolland has an impact on biodiversity where there could be a risk of damage to biodiversity and ecosystems. We see opportunities to help and encourage growers to take measures to preserve and restore biodiversity.

Biodiversity is a material topic because RFH and its value chain impact biodiversity and ecosystems. In that context we see opportunities to facilitate and encourage growers to take measures to conserve and restore biodiversity. In 2025, we will further specify and elaborate on these impacts, risks and opportunities.

We work with other organisations on biodiversity. For example, we collaborate with the Foundation for Accelerators in Floriculture (SVS) on the following topics:

- green cultivation methods: responsible use of plant protection products
- water quality: responsible water management in the production of ornamental plant products
- biodiversity around the greenhouse.

SVS is a group of progressive growers whose aim is to contribute to the modernisation of the floriculture sector, including the promotion of sustainability in the floriculture production chain.

For the company RFH we have prepared a transition plan for climate change migration related to buildings, installations and transportation in 2024. In this plan policies, targets and principles of measures to reduce greenhouse gas emissions (scope 1, 2 and 3). Based on this plan, we can define clear goals and KPIs for 2026 for RFH as a company.

Transition plan and consideration of biodiversity and ecosystems in strategy and business model (E4-1)

In Foundation Deltaplan Biodiversity Restoration, farmers' organisations, nature and environmental organisations, companies, knowledge institutes and governments work together to restore biodiversity.

As a partner of the Biodiversity Restoration Deltaplan, we contribute to the development and spreading of information on the restoration of biodiversity, both in relation to our own fields and to the floricultural production of growers trading on the RFH platform. Royal FloraHolland chairs the meetings of the Agrofood partners of the Biodiversity Restoration Deltaplan. RFH makes efforts on behalf of growers trading on the RFH platform. For example, RFH supports De Groene Stad Foundation, an organisation that collects and disseminates knowledge on the value of greenery in urban environments and promotes cooperation. We facilitate greater transparency on sustainability by actively supporting growers in certification according to the FSI Basket of Standards.

As a trailblazer, we develop and implement the FloriPEFCR, the EU-recognised method to measure the environmental impact of floricultural products. Growers can benefit from this by gaining insight into their ecological hotspots in order to then take appropriate measures. We are also co-initiator of the Environmental Indicator Crop Protection Products (MIG), which makes it possible to measure the environmental impact of crop protection products, so that this impact can then be reduced.

Royal FloraHolland is also active in the area of restoring biodiversity through participation in various scientific projects and partnerships. In these, special attention is paid to reducing crop protection products and improving water quality. We also participate in the Expert Meeting on Water and the Healthy Plant thematic table organised by Greenport Netherlands. This is how we further shape our water-related sector goals and resilient cultivation systems, with fewer crop protection agents.

Through our administrative involvement in the Glasshouse Innovation Foundation (SIGN), we contribute to various innovation projects for biodiversity and water quality, reinforced by a public-private partnership with the Ministry of Agriculture, Fisheries, Food Security and Nature (LNVN). As of 2024, we participate in the scientific NWO research 'BBBgreen' by Leiden University. This focuses on nature-inclusive horticulture concepts. It investigates how biodiversity inside and outside greenhouses can strengthen resilience to pests and diseases, with a focus on microbiome, insect communities and natural enemies.

Internationally, we collaborate on the 'Future proof and bio-control based chrysanthemum production' project. This project focuses on sustainable strategies for biological pest control in both East Africa and the Netherlands. Through the VBN membership of the International Association of Horticultural Producers (AIPH), we are involved in international biodiversity initiatives, including COP and UN meetings.

Biodiversity is a material issue because RFH and its value chain impact biodiversity and ecosystems. In 2025, we will explore how to further specify and detail these impacts, risks and opportunities

Biodiversity at RFH

RFH as a company has an impact on the RFH sites. In total, Royal FloraHolland's sites in the Netherlands cover 3.6 million square metres. EU-listed invasive exotic species can have a major impact on biodiversity because they overgrow native species. Trade in these species is therefore not allowed. Royal FloraHolland monitors this strictly. CITES regulations regulate and in some cases prohibit trade in endangered plant species to ensure biodiversity in the wild. Royal FloraHolland supports this and is involved in the process to keep the rules manageable for its members. On both subjects, Royal FloraHolland keeps its members informed of changes in these regulations.

Biodiversity in the floriculture value chain

RFH can facilitate and encourage parties in the value chain to limit damage to biodiversity and ecosystems on the following points:

For growers trading on RFH's platform, water and soil pollution through the use of crop protection products and nutrients is a potential impact factor. Water use by growers in water-deficient areas is a concern and new nurseries are constructed by RFH growers can potentially affect the natural landscape and nature. This is also at play in the excavation of the landscape for the use of peat. Q-organisms (quarantine organisms) are a concern that RFH informs growers about to limit damage and, as a sector party, is involved in nationwide talks to keep phytosanitary policies practical and proportionate.

This shows that potential impact on biodiversity and ecosystems also constitutes a risk for the reputations of Royal FloraHolland and the wider floriculture sector.

The topics that we are investigating as to whether, and if so, how we can play a role in promoting biodiversity are the following:

- Communication about (preserving) biodiversity: although the marketing of flowers and plants concerns improved cultivated varieties of plants, the large assortment traded on the international floriculture platform contributes in the Netherlands and worldwide to the awareness of how diverse nature is and the love for that diversity.
- Urban greening: the range on the RFH platform – together with the tree nursery and perennial plant sector – contributes to the greening and biodiversity of the living environment in built-up areas.
- Phytosanitary: preventing the introduction of new diseases and pests that threaten nature and public green spaces. We work closely with the government to find quarantine organisms.
- Encourage careful use of plant protection products (e.g. through FSI environmental certification).
- Encourage and facilitate organic cultivation and cultivation with very few chemical plant protection products.
- Encourage careful land and water use and reduction of peat use.
- Stimulating partnerships and leading by example. In the Biodiversity Restoration Deltaplan, Royal should play an active role and take the opportunity to show that plant biodiversity is important and that the floriculture sector takes responsibility. For example, we are working closely with Foundation for Accelerators in Floriculture (SVS), which contributes to modernising the floriculture sector, including promoting sustainability in the floriculture production chain. For example, SVS promotes biodiversity and water quality (through water coaches) on and around the nursery and contributes to reducing the use of chemical crop protection agents.
- Encouraging pollinator recovery. Floriculture can contribute to the recovery of pollinators through insect-friendly planting around the greenhouse and a transition to biological control of diseases and pests (chemical-free cultivation).

Policy on biodiversity and ecosystems (E4-2)

Royal FloraHolland's biodiversity policy corresponds to its commitments to the Biodiversity Restoration Deltaplan. It includes the actions and their results to prevent, mitigate or remedy potential negative impacts on biodiversity and ecosystems. As a partner in the Biodiversity Restoration Deltaplan, we report each year on the implementation of our partner commitment. This includes the following policies:

With respect to RFH company, we work on biodiversity restoration on our own sites.

With regard to the value chain:

- we focus on transparent certification according to the FSI Basket of Standards;
- we are developing and implementing the FloriPEFCR to calculate the environmental footprint, providing insight into the impact of floriculture products;
- we participate in the knowledge programme The Green Agenda. Here, we collect and initiate scientific knowledge to show that green can be a solution to social problems;
- we encourage growers to take action themselves to restore biodiversity.

Actions and resources in relation to biodiversity and ecosystems (E4-3)

In order to realise our ambitions, we have developed action plans for various topics. We are committed to ongoing communication on biodiversity, informing and inspiring growers how they can make a positive contribution. In parallel, we are working on a Plant Health prevention action plan and spreading knowledge on how to reduce the environmental impact of substrates.

As for RFH business, we will continue the Royal FloraHolland Green Plan from 2021 in 2025. By 2024, a total of 11,800 square metres of flowerbeds on our sites will be biodiverse.

We are also working on a Biodiversity and Ecosystems Transition Plan to further structure and strengthen our commitment to nature restoration.

Targets related to biodiversity and ecosystems (E4-4)

Royal FloraHolland is actively committed to conserving and restoring biodiversity. We do this through a two-track policy: by positively and actively contributing to improving biodiversity in our own business operations and by providing direction and using our influence in the floriculture sector with the aim of minimising factors that have a negative impact on biodiversity.

Our positive contribution is reflected in various initiatives. For example, we raise awareness about the importance of biodiversity and offer concrete action perspectives. To contribute to this, we publish at least four times a year, for example, about growers who foster biodiversity on their farms.

With our extensive range of plants and flowers, we contribute to the greening of urban areas. Around greenhouses, we encourage insect-friendly planting and the transition to biological pest control. We work on prevention against new diseases, pests and invasive exotic species that can threaten nature. At our own sites, we implement green plans with plants that bloom all year round, flowery grasslands, mixed hedges and additional trees. We are aware that we need to further develop the goals in these sub-areas. We are including this in the development of the Biodiversity and Ecosystems Transition Plan.

To reduce the negative impact, we encourage growers to make their operations more sustainable. We apply strict trade rules: invasive exotic species from the EU list are not traded and protected plants under CITES regulations are only traded within legal frameworks. Through product committees, we inform our members about the risks of invasive species. We reinforce this approach by working with partners in the Biodiversity Recovery Deltaplan and other relevant projects and consultations.



Environment

Circularity of packaging

ESRS E5 (DMA 7)

Transport packaging concerns company RFH and product packaging the value chain.

Circularity of packaging is a material topic for Royal FloraHolland because of the large amount of material used in this process and the risk of wasting raw materials. Royal FloraHolland sees opportunities for more circular use of raw materials. As a central player in the chain, RFH can play a leading role in the transition to more circular packaging systems, reducing the environmental impact.

Policies related to resource use and circular economy (E5-1)

Royal FloraHolland aims for circular use of raw materials. We want to produce the least amount of waste possible and reuse as many raw materials as possible. In doing so, we adhere to the waste hierarchy: preventing waste comes first.

Our policy for circular material use focuses on managing the material impact, risks and opportunities of transport packaging and stimulating and facilitating this for product packaging. Transport packaging includes multi-use and single-use flower buckets, racks, plant trays and boxes. Product packaging such as plant pots, sleeves and labels are usually single-use. Key risks include wastage of raw materials through incineration, consumer criticism of non-recyclable packaging, stricter European regulation (PPWR), a shortage of recycled materials and the complexity and cost of return logistics. At the same time, circularity also offers opportunities: lower environmental impact, responding to customer and chain partner expectations, cost savings through standardisation and setting up collective collection and recycling systems.

RFH company policy on transport packaging

Royal FloraHolland facilitates the floriculture chain with pools of standardised transport packaging. This contributes to an efficient chain with a lower environmental impact. We do not produce transport packaging ourselves, but buy transport packaging. Royal FloraHolland manages its own multi-use pools of transport packaging and resells single-use transport packaging. As a result, we have direct influence on the material use in standardised transport packaging.

In flowers, reusable buckets are most commonly used as transport packaging. Our ambition is for a higher percentage of multi-use plant trays to be used with plants, as they can have a lower environmental impact. We encourage this by removing barriers, for example, by attractive pricing. We are also actively working on the introduction of the Euro Plant Tray (EPT), a pool of standardised reusable plant trays for all of Europe, while also offering

proprietary pools of reusable plant trays. The introduction is expected in 2025. We also encourage the use of materials other than *virgin plastic*, such as cardboard.

Policy to promote and facilitate product packaging

Growers themselves choose product packaging sometimes in consultation with their customers. Royal FloraHolland has no direct influence on the use of materials. However, we encourage circular choices by creating awareness and working together with our supply chain partners. Together with them, we work on sustainable sector standards, giving growers and buyers tools and solutions to make packaging more sustainable. We believe in the power of collaboration within the sector. Ultimately, this is how we will reduce the environmental impact of packaging in the floriculture chain in the coming years. Through this policy, Royal FloraHolland effectively manages the impact, risks and opportunities arising from the use of packaging materials. By doing so, we contribute to the transition of the floriculture sector to a circular economy.

Actions and resources related to resource use and circular economy (E5-2)

RFH company transport packaging

A new multi-use lowered flower transport rack for was successfully introduced in 2024. With this introduction, we are reducing the annual amount of cardboard used. Our participation in the new multi-use European Plant Tray (EPT) continued to take shape in 2024. We expect the introduction of EPT trays at Royal FloraHolland in early 2025; preparations were carried out in 2024. We also worked on a new multi-use raised flower bucket, the Fc555, in 2024, which we expect to be introduced in 2025. This will again reduce the use of cardboard. The use of the short multi-use chrysanthemum box Fc523, introduced in 2023, increased significantly in 2024. This provides a 30% cardboard saving per box and a 25% loading advantage, reducing cardboard use and transport.

Stimulating and facilitating product packaging

By providing the right knowledge and tools, we make it easier for our members to make more sustainable packaging choices. In 2024, we also helped several FloraHolland Product Committees (FPCs) make product packaging more sustainable. In July, Royal FloraHolland joined the [Horti Sustainable Packaging Initiative \(HSPI\)](#). This initiative offers an opportunity to contribute to reducing the environmental impact of packaging. Our participation offers benefits to growers and buyers. By working together on sustainable sector standards with packaging suppliers active in the floriculture sector, we help our customers find solutions to make packaging more sustainable. This contributes to a better environment and is in line with new market requirements and [EU-regislation](#). With the [Packaging Register project](#), we worked together with Floricode and various chain parties on the digital exchange of sustainability data of used packaging materials in floriculture. In 2025, this will be made available to the sector in phases through Floriday.

Targets related to resource use and circular economy (E5-3) regarding RFH transport packaging

Royal FloraHolland is preparing for targets arising from the European Packaging and Packaging Waste Regulation legislation (PPWR).

This legislation sets binding requirements and guidelines from 2030 to achieve a lower environmental impact of packaging. The following PPWR targets apply from 2030:

Targets European legislation PPWR 2030	Realisation Royal FloraHolland 2024
All packaging must be 100% recyclable.	All our transport packaging is 100% recyclable
Plastic packaging must contain at least 35% recycled material.	Single-use plant trays we sell contain 96% recycled material on average. Our multi-use plastic buckets, racks and plant trays contain an average of 20% recycle, subject to sufficient availability.
Packaging design should ensure that the weight, volume and number of layers of material are kept to a minimum, while maintaining functionality.	With standardised transport packaging, we work to minimise packaging weight without sacrificing functionality.
Encouraging reusable packaging with minimum targets within the EU (1040% for packaging deployed within the EU region and 100% for packaging deployed within an EU country).	We encourage the use of reusable transport packaging by offering reusable kegs and plant trays and by introducing the Euro Plant Tray (EPT) in 2025.

Our targets are directly linked to the PPWR objectives. This also links them to efficient and circular use of materials. All our transport packaging is 100% recyclable. We reduce the use of primary raw materials by using recycled materials to the extent possible and by actively promoting reusable transport packaging. Our cardboard packaging is FSC-certified, which guarantees that these materials come from sustainably managed forests and/or recycled materials. Our policy supports an efficient and sustainable logistics chain, taking into account optimal transport loading.

At the end of 2024, the PPWR was finally adopted by the European Council. In 2025, Royal FloraHolland will further determine which additional actions are needed and how these will be monitored.

Resource inflows (E5-4)

Transport packaging

Royal FloraHolland's standardised transport packaging is intended for single-use or multi-use. Single-use transport packaging is purchased and resold to growers. Cardboard packaging is FSC-certified and on average contains 88% recycled material. A limited proportion of single-use plastic plant trays are purchased and resold by us, which on average contain 97% recycled material. Our multi-use plastic buckets, racks and plant trays contain an average of 20% recycle, provided it is sufficiently available. Royal FloraHolland facilitates the reusable use of this packaging as pool manager.

In 2024, we used plastic, cardboard and aluminium to produce new multi-use packaging and stacking trolleys.

Resource inflows transport packaging		
RFH Group, in 1000Kg, 2024	One-off	Multiple use
Total weight of products and materials	8,822	1,898
• Weight of plastic inflow	165	559
• Weight of metal inflow		400
• Weight of cardboard inflow	8,657	939
Percentage of organic material with sustainable origin (cardboard)	100%	100%
Weight of recycled or recycled resources	7,862	947
Percentage of reused or recycled resources	89%	50%

Plastic, metal and cardboard were purchased for the production of single-use transport packaging and load carriers.

Resource outflows (E5-5)

Transport packaging

We recycle damaged and rejected multi-use packaging. Recycled plastic, cardboard and aluminium are processed as much as possible into new packaging for Royal FloraHolland or into products for third parties. Used cardboard packaging and plastic plant trays are collected and disposed of company-wide. They are often recycled and used for new standardised plant trays. Non-functional multi-use transport packaging is sorted out and recycled after each rotation. Rejected flower buckets and racks and plant trays are often processed into new standardised versions of these products. By 2024, Royal FloraHolland will have repaired 70,000 trolleys (for smaller damages).

Resource outflow transport	Single use	Multiple use
RFH Group, 2024		
Percentage recyclable material	100%	100%

The expected lifetime relative to the average RFH is/set the standard, so by definition there is no deviation from the industry standard



Social



Social

Labour conditions RFH

ESRS S1 (DMA 5)

This topic concerns company RFH.

Labour conditions at RFH are a material topic due to the impact on the over 3,000 employees who often do physical work and/or face impact on the social level. We focus on reducing the physical and social risks for the people who work for us, and we want to reduce the risk of employee shortages (labour market tightness). We want to be and remain an attractive employer for our employees, so that people continue to work for us for a long time and we can continue to attract talented new employees.

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

Labour conditions at RFH are a material topic. An initial picture of the impacts, risks and opportunities is shown below, which we intend to specify and elaborate further in 2025.

Impact

Many Royal FloraHolland employees do physical work. We have to deal with peaks periods for which extra people are hired, including migrant workers. People in certain jobs like auctioneer, security guard and CCC employee may experience social impact. This mainly concerns contact with (angry) customers. We aim to reduce physical and social risks for the people who work for us, and we want to reduce the risk of staff shortages.

Risks

Labour shortage involves significant risks for Royal FloraHolland, as this may cause customers not to receive their products on time. Partly for this reason, it is important that we offer competitive employment conditions compared to employers in the area. That is why we benchmark ourselves against other collective labour agreements.

It is important that our working hours, contract duration and wages match the needs of our employees so that they continue to work with us. Royal FloraHolland also recognises the risk that employees may not feel at home with us if too little attention is paid to diversity.

Our employees also face risks of physical and social insecurity. Positions where employees do physical work are those in our logistics processes.

The nature of this work (such as riding on an electric tractor and working with trolleys, kegs and equipment) puts these employees at risk of injury if the tools or equipment is used improperly.

Social safety includes verbal abuse, sexual harassment, bullying, discrimination and intimidation.

Opportunities for being a good employer

Of course, there are also opportunities for Royal FloraHolland, such as being a good employer, paying attention to improving physical and social safety and increasing diversity. We seize these opportunities by offering permanent contracts that bind people to us and by attracting good employees who subsequently stay with us. We do this by striving for a safe working environment where people enjoy working.

Policy related to own workforce (S1-1)

HR vision

Based on the business strategy, HR (Human Resources) draws up an HR vision. Linked to this is an annual plan with Objectives, Goals, Strategies and Measures (OGSM) and a division of roles, tasks and responsibilities. HR policy is aimed at reducing impact and risks and increasing opportunities. Progress (OGSM) is discussed monthly in the HR meeting and regularly reported to the Royal FloraHolland management team.

The core themes in 2024 were:

- commitment
- culture
- organisational development
- leadership
- performance development and talent management
- personal development
- absenteeism and vitality
- recruitment
- improving processes and services
- relationship with works council and social partners.

Floriway

The starting point of Floriway's HR policy is:

Safe, healthy and enjoyable work, now and in the future.

The core themes in 2024 were:

- leadership
- absenteeism
- recruitment of driversculture
- improving processes (basics in order).

Based on the business strategy, Floriway's HR department draws up an annual plan. Progress is discussed within HR and in Floriway's management team.

Human rights

Royal FloraHolland complies with national and European laws and regulations on human rights and employee rights.

Disciplinary measures

The sanctions policy describes how we investigate undesirable behaviour and any disciplinary measures we take. Royal FloraHolland has a sanctions policy that stipulates disciplinary measures. For each violation, we have described a number of measures and the process we go through before taking such a measure. We consider discrimination and physical violence to be (very) serious offences. Depending on the situation, we may then proceed to a (final) written warning. This is followed by suspension for investigation and possible dismissal.

For external staff, the auction regulations and the enforcement and sanction policy for external staff apply. These also include sanctions. The Real Estate & Facility Management security department supervises this. Our HR policy complies with Dutch laws and regulations and with the agreements made in the collective labour agreement. We currently have no policy on positive discrimination of certain vulnerable groups.

At Royal FloraHolland, we treat each other with respect. We take responsibility for how our own behaviour affects others. We follow the code of conduct.

At Royal FloraHolland, we treat each other as equals. A person's age, gender, race, nationality, religion, appearance, sexual orientation or labour mobility are irrelevant. Discrimination occurs when people are treated unequally on these grounds. We protect our employees and do not accept discrimination. If verbal violence is observed and/or reported, we always start by talking to those involved. We then take appropriate measures where necessary.

We launched a Social Safety campaign in 2024 (April 2024-June 2025). We also established reporting routes (with confidential advisers, a complaints committee, a SpeakUp reporting number, etcetera) to help prevent or mitigate discrimination and take correct actions when complaints are raised.

Processes for engaging with own workers and workers' representatives about impacts (S1-2)

Employees' council

The employees' council (OR) is interlocutor on proposed decisions and plans for the MTRFH, including impact for employees. The works council is further described on [page 26](#).

Unions

Royal FloraHolland negotiates on workers' issues with trade unions FNV Agrarisch groen and CNV vakmensen. In 2024, we concluded a collective labour agreement with the trade unions that runs from 1 April 2024 to 1 April 2026. This collective labour agreement applies to all employees of the RFH platform. We also consult periodically with union executives and officials.

Floriway and CAAC employees are covered by the road haulage collective labour agreement. Employees can protect their interests, or have their interests protected through the union. This is established in the collective labour agreement. The employers' organisations Transport en Logistiek Nederland (TLN) and Sectorinstituut Transport en Logistiek (STL) have concluded a new collective labour agreement with the unions, which runs from 1 January 2024 to 31 December 2025. This covers Floriway employees.

We encourage managers to take up the specific areas of concern for their teams that came out of the employee survey. We have not defined our vulnerable groups or how best to understand them. However, we have agreed in the collective labour agreement with the unions that Royal FloraHolland wants to be an informal carer-friendly organisation. We also pay money into an international fund for unions to be able to assert themselves around the world.

Processes to remediate negative impacts and channels for own workers to raise concerns (S1-3)

For the seventh year in a row, we measured employee engagement and dedication with an employee survey (MO). In 2024, it yielded a score of 7.6. Departments discuss the results in detail. In cooperation with the HR department, they make a plan to improve engagement and dedication if necessary.

The MO is an important tool for employees to express their satisfaction and concerns. The results provide insight into concerns and satisfaction for key impact areas, such as work, workload, colleagues, managers, cooperation, labour conditions, core values, organisation and strategy. This gives the MT-RFH an idea of what could be improved. In 2024, there was extra focus on the question of how managers can lead their team through change. An external agency conducts the survey and also provides the analysis. The survey is anonymous, results are analysed down to team level.

Sustainable employability (sustainable participation)

In 2024, Royal FloraHolland drew up an action plan for sustainable employability of employees. This describes our vision and activation strategy. We also state how we equip managers and employees in the area of sustainable employability and what approach we take on behavioural change. Finally, a number of quick wins are described. In addition, we held sessions on absenteeism and resilience in 2024. E-learning were also included in the RFH Academy (Royal FloraHolland's learning portal) on the Eligibility for Permanent Incapacity Benefit (Restrictions) Act/mental absenteeism. The Grip Op Verzuim training course was developed further and the HR dashboard was supplemented with costs and data on absenteeism.

Royal FloraHolland offers a bicycle plan and a fitness plan, and (electric) tools are available during loading and unloading to ease physical stress.

Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (S1-4)

Royal FloraHolland wants to reduce the impact of work, to mitigate risks and pursue opportunities in an effective and efficient way. Physically demanding work takes place particularly in our logistics processes, whose impact we try to minimise through various actions, such as deploying vitality coaches, company physiotherapy, absenteeism training and (electric) tools that make work less strenuous. In the field of social safety, we launched the campaign *Natuurlijk niet* ('Of Course Not') in several languages in 2024. With it, we draw attention to and help combat verbal abuse, sexual harassment, bullying, discrimination and intimidation. The use of tools is set out in the standard work instructions.

The periodic Risk Inventory & Evaluation (RI&E) yield a number of points of attention, which we have followed up. In cooperation with the occupational health and safety service, we analyse absenteeism figures and causes. The RI&E is carried out regularly under the direction of the Real Estate & Facility Management department. An absenteeism evaluation is carried out periodically with the HR department and other parties.

The RI&E is followed up periodically and discussed with the Employees' Council as a standing agenda item. We draw up plans of action. If the health and safety service signals that employees are physically overburdened, we can reassign them and/or give them additional instructions. Tools in the logistics process are frequently used to physically relieve employees. Data analysis identifies the problem and location. HR's management team determines any further actions. For example, project groups can be launched to reduce the impact.

Risks

Actions taken or planned to mitigate risks include:

- Assessing the relative wage position of employees compared to employers in surrounding areas (benchmark with other collective agreements).
- Matching working hours, contract duration and pay to employees' needs, otherwise there is a risk that they leave and join another company.
- Investigating adjusting working hours and contract duration. Where possible, we conclude annual hours contracts and combination contracts at the individual level.
- Paying attention to diversity. If we pay too little attention, we run the risk of employees not feeling at home with us.
- Offer language training for non-native speakers, especially Ukrainians. In some departments, daily stand-up meetings are (also) held in English.

Opportunities

Actions taken or planned to pursue opportunities for our employees include:

- Being a good employer, focus on improving physical safety, social safety and diversity.
- Offering permanent contracts.
- Attracting good employees.

Using our (annual) employee survey and a separate survey (2024), we look at staff turnover in logistics. We will follow up on the resulting actions.

With data from our annual employee survey, a reporting procedure and integral safety reporting, we ensure that our working practices do not have a major negative impact on our employees. Reports are followed up in accordance with the procedure. Where necessary, we take action.

Both within the Real Estate & Facility Management, Operational Safety and HR departments, there is a budget for programme development.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5)

To manage our impact, mitigate risks and seize opportunities,

Royal FloraHolland sets itself targets:

- Physical safety target: the accident frequency rate (Injury Frequency rate, IF rate) remains below the standard of 7 (RFH platform plus CAAC)
- Engagement target (social safety): at least 7.6 in employee satisfaction survey
- Absenteeism target: no higher than 6.9% of total employees in absenteeism (RFH platform plus CAAC)

Being a good employer, focus on improving physical safety, social safety, diversity

Social safety target: at Royal FloraHolland, everyone experiences a socially safe, pleasant working environment in which we work together with attention and respect for each other. We measure the social safety experience annually in the MO. Every year we want to score a little higher on social safety.

Attracting good employees who stay

HR realises an organisation in which committed and dedicated employees sustainably contribute to our strategy. We do this by binding, engaging and developing colleagues in a socially safe working environment. We use data, technology and innovation to provide fast, predictable and reliable services for the organisation of the future.

Royal FloraHolland improves the match between working hours, contract duration and pay so that fewer employees choose to change jobs. We want to reduce the risk of employee turnover. We mitigate the risk of labour shortages by using modern planning systems.

The peaks in our logistics work load in do not always match the needs of employees. The peaks are: early mornings (daily) and Mondays (weekly) at certain locations, depending on seasons and on certain holidays. In cooperation with the industry, we try to influence the peaks.

Migrant workers are an important part of our workforce. Royal FloraHolland plays a role in integration and job satisfaction. For example, relatively many teams consisting of labour migrants participated in our staff association's volleyball tournament.

We have a clear preference for permanent employees. If enough hours are available for stable work, we offer employees a permanent contract. In 2025, more attention will be paid to the risk of employees not feeling at home at Royal FloraHolland due to insufficient attention to diversity. Royal FloraHolland offers its data to the diversity portal of the Social and Economic Council (SER).

Royal FloraHolland acknowledges the various risks and recognises that by 2025, attention must be paid to describing concrete objectives on all points of impact, risks and opportunities for working conditions in our company. We are continuously developing the organisation. In doing so, we involve the works council (OR) and trade unions. They are not directly involved in drafting the HR goals, but during discussions we regularly inform them.

In addition, the Employees' Council and trade unions also raise topics. Based on these, our HR goals are adjusted or reformulated if necessary. We have formal consultation meetings with the Works Council and periodic consultations with the trade unions. These discuss the progress of joint focal points. Our relationship with both the Employees' Council and the trade unions is good; agreements made are recorded and followed up.

Characteristics of the undertaking's employees (S1-6)

Number of employees, as at 31-12

RFH Group, headcount	2024	2023
Male	2,485	2,623
Female	898	933
Total	3,383	3,556

All employees stated being male or female; there are no individuals in the 'other' category.

Employment, as at 31-12

RFH Group, headcount, 2024	Fixed	Temporary	Total	Of which nil hours
Male	2,129	357	2,486	198
Female	777	120	897	61
Totaal	2,906	477	3,383	259

Staff turnover, as at 31-12

RFH Group, headcount	2024	2023
Employees leaving the company	904	824
Turnover	27%	23%

Absenteeism

RFH Group*	2024	2023
Logistics absenteeism rate	7.6%	7.3%
Office absenteeism rate	5.1%	4.7%

* Relates only to participations with >50 employees.



Characteristics of non-employee workers in the undertaking's own workforce (S1-7)

Royal FloraHolland uses temporary and self-employed employees in logistics departments and corporate departments. Flexible employees are mainly found in the logistics departments due to our highly fluctuating workload (peak and off-peak periods). We mainly hire self-employed people with specialist knowledge for corporate functions for a fixed period.

This is especially the case for IT projects, for example at parts of Floriday, and real estate projects, such as in AalsmeerOost.

Non-employees*	
RFH Group, head count	2024
Temporary workers	663
Self-employed	105
Total	768

Collective bargaining coverage and social dialogue (S1-8)

Employees who work exclusively abroad are not covered by the RFH collective labour agreement. The breakdown covers the European Economic Area (EEA).

All Royal FloraHolland employees are covered by a collective labour agreement, therefore in the Netherlands the collective labour agreement coverage ratio is greater than 80%. Our employees in the Netherlands also all fall under a representation.

Diversity metrics (S1-9)

Royal FloraHolland does not have a specific target for diversity in its workforce by 2024. However, male/female targets have been set for the composition of the Supervisory Board, Executive Board and top managers (SER definition). The target for all these governing bodies is that they consist of at least 33% men and 33% women. We will have met this target by 2024.

* Temporary replacement is per 31-12, deployment flexpool logistics average per auction day

Entire RFH Group, only top management at RFH platform and Floriway

Top management		
RFH Group, 2024	Headcount	Percentage
Male	39	66%
Female	20	34%
Total	59	100%

All employees in top management stated being male or female; there are no individuals in the 'other' category.

Age distribution of workforce	
RFH Group, head count 2024	
Percentage of employees under 30 old	12%
Percentage of employees between 30 and 50 years old	38%
Percentage of employees over 50 years old	50%

Adequate wages (S1-10)

We pay our permanent and flexible employees in accordance with collective labour agreements. For foreign employees, local benchmarks are used to verify that wages are in line with our policy and in line with the definition of adequate wages.

Safety and health measures (S1-14)

Comprehensive safety

Together with employees, suppliers, buyers and growers, we work towards a safe working environment. We draw up policies for each safety theme (well-being and social safety, physical safety, security and environment). We report on these policies and ensure their implementation. In this way, we improve the safety level on each theme.

The policy applies to all our employees and temporary workers. Twice a year, the MT-RFH discusses the level of safety, the level of control, whether we are compliant and any incidents. In 2024, there were five action weeks during which we drew extra attention to safety rules and monitoring. We also organised a second Safety Week, with activities on physical safety, social safety, security and cybersecurity. The control and assurance of the various safety themes was further improved in 2024.

Royal FloraHolland is obliged to report serious occupational accidents to the Dutch Labour Inspectorate. In 2024, there were two notifiable accidents. In these accidents, Royal FloraHolland, in accordance with the new working method of the Dutch Labour Inspectorate, conducted its own investigation and prepared an 'employer report' which the Dutch Labour Inspectorate deemed adequate. We then took up the areas for improvement.

In Florinews, Floriway's newsletter, we regularly report on a safe working environment. With new employees we discuss the safety instructions. Where necessary, departmental meetings address them.

Risk Inventory and Evaluation (RI&E)

The Risk Inventory and Evaluation (RI&E), included in occupational health and safety legislation, helps us preventively improve safe and healthy working conditions and thus reduce the number of accidents. The goals of our RI&E method are to improve quality and make it more practically applicable and more dynamic and to increase ownership of RI&Es. In 2024, we proceeded with updating the RI&Es in accordance with the legal obligation and obtained consent from the Employees' Council for this. In addition, many measures from the RI&Es have been implemented.

Floriway started setting up an RI&E in 2023, in cooperation with Sector Transport & Logistics. Previously, the separate three companies that made up Floriway had RI&Es.

Industrial accidents

For industrial accidents, we use the Injury Frequency Index (IF-rate) as the safety KPI (see table). This ratio shows the relationship between the number of accidents resulting in absence from work per millions of hours worked. We also focus on reporting and actively following up incidents even if they have not yet resulted in injury and/or absence.

In 2024, 19 colleagues suffered an accident involving absence (2023: 40), which resulted in 397 days of absence. In addition, there were 105 injury accidents without absenteeism. As a result, the IF-rate over 2024 decreased compared to previous years to 4.2 absence accidents per million hours worked.

Our (additional) measures and efforts – such as reporting and resolving minor incidents and providing standard work instructions – are bearing fruit. This is apparent, for instance, in the transition from distribution to order picking and in better process information on, and compliance with, safe work instructions. Because we continue to focus on prevention, many safety incidents were reported in 2024.

Floriway addresses reporting and actively following up of incidents itself.

Physical security		
RFH-platform en CAAC	2024	2023
Number of occupational accidents with injuries	105	113
Number of occupational accidents with absenteeism	19	40
Number of absence days due to injury and death	397	710

Accident frequency index (IF-rate)		
RFH-platform en CAAC	2024	2023
Accident frequency index (IF-rate)	4.2	8.8
Total		

In 2024, as in 2023, there were no fatalities due to industrial accidents and occupational diseases among our own workers.

For 2025, Royal FloraHolland's HR department will innovation a key focus area and continue activities that are going well, such as:

- The employee survey will take place and after analysis, action plans will be made for each department.
- Collaboration with employee participation and social partners remains an important part of the working method, as does working in line with laws and regulations.
- A working group will be set up to reduce absenteeism and improve vitality.
- The RI&Es continue according to an established schedule.
- HR will use data analysis to determine the priority of themes.
- Where possible, we will standardise processes with the aim of making them easier for employees and managers.

Royal FloraHolland wants to be an attractive employer of a platform organisation with committed and vital people with the power to change. That is how we can achieve more together.

Social safety

In the area of social safety, we use the engagement score as a metric because it shows how satisfied employees are. The engagement score remained the same in 2024 as in 2023.

Employee engagement		
RFH-platform	2024	2023
Engagement score	7.6	7.6

Incidents, complaints, and severe human rights impacts (S1-17)

In 2024, there were no serious human rights violations, and no fines and/or compensation as a result. In 2024, there were no incidents of discrimination, and no fines and/or compensation in respect thereof.

Social

Employees in the value chain

ESRS S2 (DMA 5)

This topic concerns the value chain.

Royal FloraHolland has a special position in the value chain. We do not buy or sell floriculture products, nor do we produce them. As such, we do not cause any direct impact ourselves in those parts of the value chain.

However, we are connected to those impacts.

The impacts relate to the physical and economic conditions under which people work in the links of the chain. The main risks lie in the quality of the work facilities provided and shortages of good workers in the sector. The opportunities lie in dialogue and cooperation to improve working conditions in the floriculture sector. The role we see for ourselves concerns using our influence to work with others to prevent and improve the impact of poor working conditions.

Policies related to workers in the value chain (S2-1)

Labour conditions in the value chain are also for Royal FloraHolland an important issue. As a co-initiator and signatory of the IMVO Floricultural sector covenant (initiated in 2019 and signed in 2022), we worked together to identify and reduce chain risks for people and the environment. The focus was on two topics Adequate Wages and Impact of Use of Plant Protection Products on employees in the production chain, especially in East Africa. This also concerns protecting the safety of our own employees and import agents handling cut flowers.

A Code of Conduct has been drawn up with covenant partners and has been embraced by FSI. The intention is for the trading companies involved in the covenant to use the code when purchasing floriculture products. Royal FloraHolland does not buy floriculture products itself, but does include the Code of Conduct when buying goods and services from (non-grower) suppliers.

Some relevant developments on working conditions in the floriculture chain in which Royal FloraHolland has been involved are:

- In 2022, the final report of the IMVO Floricultural Sector covenant with recommendations was transferred to FSI.
- FSI organised several workshops on Adequate Wages for FSI members. The workshops were designed to advance the discussion on pay and understanding of mutual positions on this issue.
- Royal FloraHolland requires members and suppliers to be certified (FSI compliant). Social certification is part of this.
- A Centre for Resilient Floriculture has been opened at the Aalsmeer, Rijnsburg and Naaldwijk hubs. We are committed to this through the public-private partnership Resilient Floriculture. In our lobby, we focus on the continuation of financial support for this cooperation by the Ministry of Security and Justice.

- Royal FloraHolland plays an active role at administrative and working group level in Greenports Netherlands, Greenport, WestHolland and Greenport Aalsmeer. The subject of housing migrant workers is addressed by the various Greenports Netherlands and Greenport Aalsmeer. The latter recently launched the app MYinfoNL: an information app for migrant workers in twenty languages.
- Royal FloraHolland contributes to the public-private partnership Lifelong Development, where we work together to better match vocational training curriculums to professional practice. This will yield more employees with knowledge and practical skills that match the type work at Royal FloraHolland and in the sector.
- We follow developments concerning working conditions through politics and during theme meetings of VNO-NCW.
- Royal FloraHolland sees the following opportunities to increase its involvement:
 - Together with our FSI partners, follow up on the agreements in the IMVO Floriculture Sector covenant.
 - Discussing within FSI whether and how possession of a social certificate (or some form of it) can be added to the FSI criteria for non-risk countries.
 - Extend the reach of our recommendations for safe processing of cut flowers to exporters and florists.
 - Active participation in Greenports' tables or working groups to better understand the many facets of this topic, and determine how else we can contribute.
 - Preventing labour exploitation in the cooperation Resilient Floriculture Sector.
 - Working to improve sanitary and catering facilities for users of our logistics platform, including (foreign) drivers.
 - Through dialogue, support municipalities and other parties working to widen opportunities for the settlement of migrant workers on growers' premises.
 - Underline the importance of migrant workers for the floriculture sector in The Hague and to VNO-NCW by holding dialogues.

Governance



Governance

Collaboration and advocacy

G1-5 (DMA 4)

This topic concerns company RFH and the value chain.

Collaboration and advocacy focus on sustainability and economic interests of our international B2B Floriculture Marketplace, cooperative and floriculture sector. With its unique and central role, Royal FloraHolland has the chance and opportunity to be involved in policy-making on topics that can have an impact on the cooperative, the operations of the digital and logistics platform and the floriculture sector in general.

Political influence and lobbying activities (G1-5)

In 2024, Royal FloraHolland was involved itself, and also through the Flower Auction Association Netherlands (VBN), in policy-making in Europe and in the Netherlands. These were issues that (could) have a major impact on the operations of the auctions, the members of the cooperative and on the floriculture sector as a whole.

The VBN is a two-member association: Royal FloraHolland and Plantion. The board consists of the CEO of Royal FloraHolland and the general manager of Plantion. The public affairs manager of Royal FloraHolland runs the secretariat. Royal FloraHolland's Public Affairs team carries out the activities for Royal FloraHolland and the VBN. The main lobbying topics are laid down in the annual Public Affairs plan and reviewed every quarter. Every month, Royal FloraHolland's MT-RFH and the general manager of Plantion receive an overview of the activities and current affairs surrounding politics and lobbying. In the VBN board meetings (twice a year), the deployment of Public Affairs is also discussed.

Both the European Union and the Lower House map the lobbying activities of various companies in a register. The VBN is registered in the EU Transparency Register under number 6086236484167. In The Hague, the Lower House keeps a register of organisations, which includes VBN.

None of the members of the Executive Board, Supervisory Board and MT-RFH and VBN have been employed by the government in similar positions in the past two years.

In our lobbying, we cooperate both with organisations and partners in the (glasshouse) horticulture sector, such as Glastuinbouw Nederland, the Association of Wholesalers in Flower Cultivation Products (VGB), GroentenFruit Huis and Plantum. Issues such as spatial development, housing of migrant workers and water quality are also taken up within network organisations in the Netherlands, such as the Greenports in the Netherlands

(both regional and national). The aim of the collaboration is to contribute to innovation and sustainability, and to maintain public support for growers and their floricultural products.

In 2024, a contribution was made under the banner of Greenports Netherlands on behalf of the floricultural sector to the outline agreement and the subsequent coalition programme of the Schoof government. Several politicians and officials, both Dutch and European, went on a working visit to get to know Royal FloraHolland and the (glasshouse) horticulture sector better.

Advocacy activities can be clustered into three themes:

- 1) preservation of floricultural production and thus the floricultural cluster in the Netherlands
- 2) unimpeded (international) trade
- 3) phytosanitary issues.

The issues include:

- Implementing the Covenant on Energy Transition in Glasshouse Horticulture 2022-2030. This cohesive package of pricing, standardisation and subsidy should ensure that the greenhouse horticulture sector achieves the residual emission target by 2030 and is ultimately climate-neutral by 2040. The government has indicated that this covenant will remain a guiding principle. Royal FloraHolland and the sector are committed to avoiding additional energy measures (ETS 2, blending obligation green gas) and explicitly request investments that accelerate the energy transition. This could include reinforcement of the electricity grid, expansion of heat networks and achieving a good CO₂ supply.
- Implementing the Green Power Forward sector reputation programme. This started in 2024 and targets decision-makers in politics and society. It is essential that the core messages, data and facts are also used in the sector communication that Flower Council Holland develops for consumers.

- Reduce the number of physical inspections of flower and plant import flows at ports in the United Kingdom (UK). In this context, together with the VGB, Union Fleurs and other parties, we are looking at ways to establish a sanitary and phytosanitary (SPS) agreement between the UK and Europe. The aim is for the UK to recognise inspections on our side of the channel. This will lead to much greater efficiency.
- Continued activities to maintaining the reduced VAT rate for floriculture. We have shown concretely with the WEcR's report what the impact of a VAT increase would be on industry turnover, employment, exports and the greening of urban areas. So far, we have managed to stay the increased rate.
- Phytosanitary measures: Royal FloraHolland, together with Union Fleurs and other parties, had a connecting role in creating the systems approach required by the European Commission. Local authorities in Kenya and Ethiopia must demonstrate that they take appropriate management measures together with producers to achieve zero interceptions on imports and thus prevent the spread of the False Codling Moth (a quarantine organism in the EU) when importing roses into the EU. This systems approach should be in place and effective by the end of April 2025.
- Make more concrete agreements alongside the Dutch Food and Consumer Product Safety Authority (NVWA) on the transport of plant products in the event of an outbreak of a quarantine organism near one of Royal FloraHolland's locations. NVWA will link the agreements to the applicable European rules in due course.

Royal FloraHolland has four employees dedicated to collaboration and advocacy. Two of them are active full-time in The Hague and Brussels on behalf of RFH and the VBN, on behalf of Royal FloraHolland and the Dutch Flower Auctions Association (VBN).

In 2024, the VBN board consisted of the CEO of Royal FloraHolland) and the Plantion general manager. They keep the overview and are ultimately responsible for advocacy and lobbying.



Resilient floriculture sector

G1-1, G1-3 en G1-4 (DMA 9)

This topic concerns company RFH and the value chain.

Undermining activities in the floriculture sector have an impact on society and are a risk for Royal FloraHolland and the floriculture sector. Royal FloraHolland wants to take a connecting role in strengthening the resilience of the sector against undermining activities and to act on this together with chain partners

Policy on business conduct and corporate culture (G1-1)

The floriculture sector is vulnerable to undermining activities due to the many transport movements on European roads. Royal FloraHolland's various logistics hubs are easily accessible to third parties, forming hubs in these transport movements.

Risks of undermining activities include fines, an unsafe, unpleasant working environment and disruptions/non-compliances with regard to laws and regulations and related reputation damage. This can affect the company, the cooperative and the floriculture sector as a whole.

Royal FloraHolland has a central and connecting position and role in the floriculture sector. This makes us an obvious party to play an important role in improving resilience against undermining activities. Anti-corruption and crimefighting actions through cooperation in the sector increase focus on crime and create barriers against it. For our employees, and anyone else working in any of our areas, Royal FloraHolland can actively help to combat corruption and crime.

Code of conduct and core values

Royal FloraHolland has four core values: collaborative, result-oriented, innovative and reliable. These core values bind everyone within the organisation. To ensure that all employees act in accordance with these core values and associated standards, a code of conduct with a mandatory e-learning has been drawn up. The code of conduct helps employees to know and apply our rules, standards and values. Several topics are addressed and detailed in the code, including desirable business conduct and ethical behaviour on sustainability, fraud, corruption, conflicts of interest and advocacy. For each topic, we explain the conduct we expect from every employee. We also indicate how they can put this into practice. The code of conduct and applicable policies are posted on the intranet. We regularly communicate it to all employees and temporary workers. Current developments are discussed (periodically) in weekly and departmental meetings. The code of conduct is reviewed periodically - it will be reviewed again in 2025.

To ensure that our employees know the code and to encourage ethical conduct from our employees, they are required to take the Code of Conduct e-learning upon joining the company, and subsequently at least once every two years. Managers and HR monitor the follow-up. We record this in each employee's personnel file. Employees who have not taken the e-learning cannot start their job or perform certain (risky) activities. Temporary employees must also know the code that tells them how we behave at Royal FloraHolland. It will be provided to them through their employment agencies.

To control risks and raise awareness, Royal FloraHolland has formulated policy and taken management measures. This is how we encourage ethical business conduct. The policy on ethical business conduct can be found on the intranet under the Business Policy Framework (BPF), so every employee can consult it at any time.

There are also measures in place to identify and address violations. The Security Integrity Team carries out analyses and investigations. In case of (suspected) abuse, we act according to the Fraud Prevention and Anti-Corruption Policy. Reports are investigated and assessed independently and under the direction of the Compliance Department.

Royal FloraHolland has set up various hotlines, including SpeakUp, where people can file reports anonymously. We thus comply with all parts of the (mandatory) whistleblower regulation.

Reporting undesirable behaviour

Together we ensure that Royal FloraHolland is an organisation where employees enjoy working and with which business relations enjoy doing business. We all contribute to that. Every employee has his or her own responsibility. We encourage good behaviour and give compliments. But we also speak to each other about undesirable behaviour and report it. We do not accept undesirable behaviour such as theft, fraud, corruption, threatening, bullying, discrimination and (sexually) transgressive behaviour. We pay close attention to reports of undesirable behaviour. This can be done with the manager, the HR department, one of our confidential advisers or anonymously via SpeakUp. All reports are independently investigated and carefully handled.

Compliance

The Code of Conduct is - alongside the auction regulations and the enforcement and sanctions policy - a framework for underlying policies and protocols. Violations of the code of conduct can have consequences under employment law or even criminal law. Failure to comply with the Code of Conduct may result in disciplinary action. Serious offences and criminal acts will be reported to the police.

Initiatives

To promote awareness, and improve measures to improve safety for ourselves and the entire sector, Royal FloraHolland actively participates as a partner in various initiatives, such as the public-private partnership Resilient Floriculture Sector and the Cyber Resilience Centre Greenport. Through this collaboration, we create sustainable barriers against subversive crime. We do this by jointly understanding the priorities that ensue from supervision, control and investigation. In doing so, we invariably seek to balance common interests (economy, safety and employment). Where necessary, enforcement follows from investigation services, public administration and private parties.

Compliance with laws and regulations

Royal FloraHolland uses various mechanisms to identify, report and investigate concerns about non-compliance with laws and (internal) regulations. The Security & Integrity department investigates signs and proactively assesses data for deviations and threats. This investigation focuses on the presence and/or functioning of implemented measures and identification of facts confirming the violation. Where necessary, the department provides advice on adjusting or tightening measures. If we find violations by employees, these are transferred to HR and up the hierarchy for further resolution.

Checks

Royal FloraHolland has implemented regular checks that allow us to identify deviations due to violations. We pay a great deal of attention to reports of deviant and inadmissible behaviour. There is a Social Safety programme that draws attention to this in various ways and always refers employees to the various reporting possibilities. Employees are informed about this periodically. Standards and values are set out in the code of conduct, which also states where reports can be made.

Royal FloraHolland has a Fraud Prevention and Anti-Corruption Policy. This policy is in line with the UN Convention against Corruption. A fraud prevention table was also set up in 2024. It deals with preventive measures as well as measures aimed at detection, repression and the organisation's learning capacity. The (strengthened) policy and the Fraud Prevention Table were implemented in November 2024. The table meets every six months and the policy is reviewed annually.

Reporting procedure

Royal FloraHolland has a reporting procedure that provides safeguards for whistleblowers under the Whistleblower Protection Act. They can report abuse and suspected abuses anonymously via SpeakUp. Reports arrive in a unique digital message box, where contact details are protected. An independent compliance officer investigates and handles the report. This reporting scheme was implemented more than six years ago and is still in force. In carrying out the investigation, the (independent) Security Integrity Team or an external investigation agency may be used. Reporters receive, within the statutory deadlines, an acknowledgement of receipt and information on the handling of their report.

Screening policy

Royal FloraHolland has drawn up a screening policy, in which business-critical functions have been identified. Depending on the nature of the work, screenings are carried out at various levels. Screening takes place when an employee joins the company and if he or she is given a different position that is designated as business-critical. All employees can inspect the screening policy on the intranet.

Prevention and detection of corruption and bribery (G1-3)

Royal FloraHolland takes measures against corruption and bribery. Our code of conduct forms the basis for ethical business behavior. Powers are segregated by function and we pay attention to conflicts of interest. Employees have access to policies and procedures and can report deviations through various (anonymous) channels. These can be found on the intranet.

The Compliance Department records and reports abuses to the Management and Supervisory Boards in the annual compliance report. When a report is made, we follow an established response plan. This is linked to the fraud prevention and anti-corruption policy. We also determine which executives should be involved in the case team.

We regularly monitor the operation of the control measures. Our Security Integrity Team (SIT) deals with integrity investigations. Royal FloraHolland also works closely with government departments within the public-private partnership Resilient Floriculture Sector. Its aim is to make employees, members and customers aware of the risks of undermining crime, including corruption and bribery.

In 2024, the Information Sharing Covenant was signed and we exchanged knowledge to identify risks. In addition, several private partners were interested in being more active and aware in countering undermining risks. Through closer cooperation with our chain partners, we expect to further reduce potential abuse and undermining.

The Resilient Floriculture Sector approach shows entrepreneurs how to report abuses (see also <https://weerbaresierteeltsector.nl/melden/>). With focused attention on Security Awareness, employees and the chain are helped to find their way through the above measures. Reference is made to various activities initiated by Royal FloraHolland, including knowledge sessions and webinars during Security Week, the e-learning for the Code of Conduct and for cybersecurity, and various internal and external knowledge sessions. It also raises the industry's awareness of risks in (among other things) CoE meetings and various business meetings.

Compliance and the Security Integrity Team (SIT) are involved in investigation, management measures and monitoring the adequate elaboration of the measures. Both departments are positioned independently from the management chain. If necessary, they can escalate in the direction of the Executive Board and/or the Supervisory Board. Compliance is part of

the staff department Legal & Compliance. SIT is part of security within Real Estate & Facility Management.

Compliance prepares an annual compliance report. In this report, the department reports to the Executive Board and the Supervisory Board (via the audit committee) on incidents. The report contains an independent opinion on the extent to which Royal FloraHolland complies with the applicable laws and regulations. In addition, Compliance makes recommendations to become or remain compliant. The report is then also shared and discussed with the RFHMT. If incidents require immediate attention from the management, they are informed verbally as well as in writing. The incidents are then also tabled in the board meeting.

Fraud prevention table

The first fraud prevention table met in the fourth quarter of 2024. See [page 49](#).

Review Committee

The Review Committee (TC) has been set up to review cases related to customer acceptance and sanctioning according to the Enforcement & Sanctions Policy. The TC consists of a delegation of senior management from the various business units of Royal FloraHolland.

Code of Conduct

In general terms, the rules are set out in Royal FloraHolland's code of conduct. To bring this code of conduct to sufficient attention and keep it there is a new e-learning every other year. Every employee must follow this e-learning to stay sufficiently informed about our standards and values, and to take note of applicable policies. The e-learning is compulsory for every employee (100%). The specific e-learning on cybersecurity is offered specifically for employees at corporate level (approx. 30%). Executive Board and Supervisory Board members are also required to take the e-learning on code of conduct and cybersecurity.

To complement the training courses, SIT visited several departments. With a presentation, the risks of undermining (including corruption and fraud) were highlighted and discussed with the departments.

Fraud Response Plan

Royal FloraHolland has a standard fraud response plan. When a signal of corruption or bribery comes in, we put together a case team and carry out actions in accordance with the response plan. The standard actions in the plan focus on determining the extent and (where necessary) further mitigating the material impact. Targeted actions are added to the plan where necessary.

Confirmed incidents of corruption or bribery (G1-4)

In the last three years, there were no confirmed incidents of corruption or bribery on Royal FloraHolland's RFH platform. In the past year, there have been no convictions or offences related to anti-corruption or bribery. No fines were imposed on Royal FloraHolland in 2024 for violation of anti-corruption and anti-bribery laws.

Financial statements

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Consolidated balance sheet at December 31, 2024

(Before proposed appropriation of profit or loss (amounts x 1,000))

Assets

	Notes	2024	2023
Fixed assets			
Intangible fixed assets	(1)	65,106	62,045
Tangible fixed assets	(2)		
Land		109,338	110,054
Buildings		274,445	277,734
Equipment, packaging and logistic resources		88,697	80,648
Other fixed operating assets		21,517	26,402
Not used for business operations		86,995	87,214
		580,992	582,052
Financial fixed assets	(3)		
Participating interests in group companies		7,208	9,620
Other receivables		1,020	467
Deferred taxes		14,542	13,425
		22,770	23,512
Current assets			
Inventories		758	788
Receivables			
Trade receivables	(4)	55,660	49,094
Receivables from participating interests		2,921	2,101
Other receivables, prepaid expenses and accrued income	(5)	16,776	23,710
		75,357	74,905
Cash and cash equivalents	(12)	11,463	4,734
Total		756,446	748,036

Liabilities

	Notes	2024	2023
Group equity			
Equity	(6)	193,707	186,929
		193,707	186,929
Provisions	(7)		
Other provisions		8,692	5,745
		8,692	5,745
Non-current liabilities			
'B' depositary receipts*	(8)	189,715	199,557
'C' depositary receipts*	(9)	-	44
'D' depositary receipts*	(10)	2,693	3,035
Long-term bank loans	(11)	-	4,810
Financial lease obligations	(11)	867	2,165
Other liabilities	(11)	347	4,864
		193,622	214,475
Current liabilities			
Credit Institutions	(12)	15,927	12,457
Debts to members/non-members	(13)	89,777	71,803
Repayment obligations to members/non-members	(13)	35,029	44,599
Repayment obligations under financial leases		1,342	2,219
Accounts payable		27,608	24,672
Refundable deposits	(14)	101,296	102,442
Other liabilities, accrued expenses and deferred income	(15)	89,446	82,695
		360,425	340,887
Total		756,446	748,036

* Subordinated loans. Together with equity these constitute risk-bearing capital. At the end of 2024 risk-bearing capital amounted to € 386.1 million (2023: € 389.6 million).

Consolidated profit and loss account for 2024

(amounts x € 1,000)

	Notes	2024	2023		Notes	2024	2023
Operating income				Financial income and expenses			
Commission payments		116,003	107,544	Interest expenses and similar charges		-7,427	-3,872
Contributions		13,146	9,870	Interest income and similar income		3,053	2,575
Lot and auction trolley fees		64,136	60,208			-4,374	-1,297
Transaction and service fees		42,061	38,633				
Packaging		60,146	53,964	Operating result before tax		7,058	-24,797
Trolley and CC container rental		28,566	29,812	Profit/loss from participating interests	(3)	2,994	3,184
Property rental		58,325	57,904	Corporate income tax	(23)	-4,193	4,661
Road Transport		43,577	51,225				
Other logistics services		22,004	21,023	Result after tax		5,859	-16,952
Miscellaneous revenues	(19)	36,684	25,286				
		484,649	455,469				
Operating expenses							
Wages and salaries	(20)	198,149	195,808				
Social security costs		24,306	23,275				
Pension costs		17,305	17,406				
Amortisation, depreciation and impairments	(21)	79,558	74,202				
Other operating expenses	(22)	153,899	168,278				
		473,217	478,969				
Operating result		11,432	-23,500				

Consolidated statement of cash flows 2024

(amounts x € 1,000)

	Notes	2024	2023		Notes	2024	2023
Operational activities				Investment activities			
Operating result		11,432	-23,500	Investments in tangible fixed assets		-60,015	-56,440
Amortisation, depreciation and impairments		79,559	74,202	Disposals of tangible fixed assets		1,720	1,533
Proceeds from disposal of fixed assets		-7,142	233	Investments in intangible assets		7,142	-
Movement in provisions		2,947	883	Disposals of tangible fixed assets		-22,210	-20,150
		86,796	51,818	Repayment of long-term receivables	(3)	411	1,851
Change in working capital				Investment in financial fixed assets	(3)	-	-201
Decrease/increase in inventories		31	198	Disposals in financial fixed assets		-957	-
Decrease/increase in trade receivables		-6,567	-1,392	Cash flow from investing activities		-73,909	-73,407
Decrease/increase in receivables from participating interests		-820	462	Financing activities			
Decrease/increase in other receivables		6,753	-2,887	Movement in bank overdrafts	(12)	3,470	9,169
Decrease/increase in debts to members/non-members		15,648	-6,368	Movement in long-term loans	(11)	-4,810	-1,650
Decrease/increase in accounts payable		2,242	-13,433	Financial lease obligations		-1,299	-2,229
Decrease/increase in refundable deposits		-1,146	2,434	Other liabilities		-3,066	-317
Decrease/increase in other liabilities		-7,280	5,299	Change in repayment obligations on non-current liabilities		-876	-1,034
		8,861	-15,687	Capital contributions		27,724	27,332
Interest received		3,241	2,153	Payouts on 'A' and 'E' depositary receipts		-2,131	-4,165
Dividends received		5,036	2,518	Payouts on 'B', 'C' and 'D' depositary receipts		-43,719	-4,270
Interest paid		-3,882	-1,651	Cash flow from financing activities		-24,707	22,835
Corporate income tax paid/received		5,177	-6,979	Currency translation differences		115	-232
		9,572	-3,960	Net cash flow		6,728	-18,633
Cash flow from operating activities		105,229	32,171	Cash and cash equivalents as of January 1.		4,734	23,367
				Cash and cash equivalents as of December 31.		11,463	4,734
				Movement in cash and cash equivalents		6,728	-18,633

Consolidated statement of comprehensive income 2024

(amounts x € 1,000)

	Notes	2024	2023
Consolidated net income after tax		5,859	-16,952
Direct movements in equity			
Translation differences for foreign participating interests		115	-34
Release of earn-out arrangement Floriway		1,600	-
Total result		7,574	-16,986

Notes to the consolidated accounts for 2024

General notes

Objective

Coöperatie Royal FloraHolland U.A., hereinafter referred to as Royal FloraHolland, is a cooperative with an excluded liability for its members. The cooperative aims to for its members the highest sales revenues at the achieve lowest sales costs and related services and facilities. Members of the cooperative may be natural persons and legal entities, which operate one or more businesses, in which ornamental plants are grown. Royal FloraHolland has its registered with office in Aalsmeer the office address Legmeerdijk 313, 1430 BA Aalsmeer, the Netherlands and is registered with the Chamber of Commerce under number 34284016.

Liability of members of the cooperative

Royal FloraHolland has a statutory exclusion of liability for its members. This means that members of the cooperative have no liability for unrecovered losses other than the financing outstanding with the cooperative in the form of certificates. The 'A' depositary receipts formed from the results in name of its members is part of the cooperative's equity. In addition, each member of the cooperative participates in 'B' depositary receipts through a percentage to be determined by the Members' Council on the proposal of the Executive Board on products to be by the members through the cooperative. Certificates are subordinated to claims of creditors and other providers loan capital. Distribution of 'B' depositary receipts may be made on the proposal of the Executive Board and after approval by the Council of Members, after the expiry of the term of annual instalments, the respective if the risk-bearing capital is at least 45%. The financial statements were prepared before appropriation of profit.

Applied accounting standards

The financial statements have been prepared in accordance with the statutory provisions of Part 9 of Book 2 of the Dutch Civil Code and the Guidelines for Annual Reporting. For the presentation of the profit and loss account, in order to provide insight into the special nature of the activities, a further detail applied compared to the prescribed models has been in the decree models financial statements. The model used is more comprehensive than the prescribed model. The amounts included in the notes are in thousands of euros unless otherwise stated. In presenting the separate profit and loss account, use has been made of the exemptions of Article 2:402 of the Dutch Civil Code.

Principles of consolidation

The 2024 consolidated financial statements include Royal FloraHolland and its group companies with which Royal FloraHolland forms an organizational and economic unit (collectively referred to as "the Group".)

Group companies are companies in which Royal FloraHolland directly or indirectly has . decisive control in management and financial policy. Decisive control is to be assumed present if Royal FloraHolland owns , more than 50% of the share capital or has, such special rights such as potential voting rights that can be directly, that this company must be therefore a group company.

Group companies are in full in the consolidated financial statements. Minority interests in equity and earnings are disclosed separately. Intercompany transactions and intercompany receivables and liabilities are eliminated. Consolidation and deconsolidation occur at the time of acquisition or disposal of decisive control. Group companies are included in the consolidated financial statements in accordance with Royal FloraHolland's accounting policies.

Accounting policies of group companies and other legal entities included in the consolidation have been changed where necessary to reconcile with the applicable accounting policies for the Group.

Accounting policies for the valuation of assets and liabilities, income determination and cash flows

General

The principles for valuation of assets and liabilities and determination of results are based on historical cost. Assets and liabilities are stated at amortized cost unless otherwise stated. An asset is recognized in the balance when it is probable that future economic benefits will flow to the company and its value can be reliably determined. A liability is recognized in the balance sheet when it is probable that its settlement will involve an outflow of resources and the amount thereof can reliably be determined.

The accounting policies used are unchanged from the previous. Prior year figures are corrected if necessary for improved understanding.

Currency conversion

Royal FloraHolland's functional currency is euro. A transaction in foreign currency is measured on initial recognition at the functional exchange rate on the transaction date. Monetary balance sheet items in foreign currency are translated at the functional exchange rate on the balance sheet date. Non-monetary foreign currency balance sheet items measured at historical cost are converted at the functional exchange rate at the transaction date.

Exchange differences arising on the settlement or conversion of monetary items denominated in foreign currencies are recognized in the profit and loss account, except for exchange differences arising on the net investment in a foreign operation or, respectively loans taken out to finance or effectively hedge the net investment in a foreign operation. These exchange differences are directly recognised in the translation differences reserve. The translation differences reserve is included in the statutory reserves item.

At the balance sheet date, the assets and liabilities of foreign operations are converted into the presentation currency (the euro) at the exchange rate at the balance sheet date, and income and expenses in the profit and loss account are converted at the exchange rate at transaction date for the year. The resulting exchange differences are recognized directly in the statutory translation reserve. In the event of disposal of a foreign business operation, the corresponding cumulative amount of translation adjustments recognized in equity is recognized in profit or loss as part of the income from the sale.

Judgments and estimates

In applying the policies and rules for the preparation of the financial statements, the group's management makes various judgments and estimates that may be essential to the amounts disclosed in the financial statements. Where necessary to provide the understanding required by Article 2:362(1) of the Dutch Civil Code, the nature of these judgments and estimates, including the associated assumptions, is included in the notes to the relevant items of the financial statements.

Change in accounting principles

With effect from the 2024 financial year, a change in accounting principles has been implemented with regard to the presentation of the balance sheet. From the 2024 financial year onwards, the balance sheet will be presented before appropriation of the result. The reason for this change in accounting policy is that the balance sheet before appropriation of the result better reflects the application of Royal FloraHolland's governance, since the appropriation of the result is only decided after the adoption of the financial statements by the Supervisory Board and approval by the Members' Council meeting. The consequence of this change in accounting policy is that the result for the financial year is recognised as a separate line item of equity and is not already added to the general reserve and the liability to members. Where necessary, the comparative figures for the 2023 financial year have been adjusted for comparison purposes.

Intangible fixed assets

An Intangible fixed assets is recognized in the balance sheet as:

- it is probable that the future economic benefits embodied in an asset will accrue to the Group; and
- the cost of the asset can be reliably determined. Intangible fixed assets are valued at acquisition cost less amortization and any impairment losses. Annual straight-line amortization is based on the expected economic life:
 - Software: amortization over 3 - 7 years;
 - Goodwill: amortization over 10 years.

Impairments may occur when changes or circumstances occur that suggest that the carrying amount of an asset may not be recovered (in full).

The costs of software development are capitalised provided they meet the specified conditions for technical, commercial and financial feasibility. A statutory reserve is maintained that equates to the balance-sheet value. For the purpose of determining potential impairments, the goodwill arising from an acquisition is allocated on the acquisition date to the cash-generating unit that stands to benefit from the acquired activities, when considered in combination with software development by Royal FloraHolland.

Tangible fixed assets

Tangible fixed assets are stated at historical cost or cost of production less depreciation and any impairment losses. The annual straight-line depreciation is based on expected economic lives:

- Land and non-operating assets are not depreciated;
- Company buildings and site facilities: depreciation over 10 - 33 1/3 years;
- Equipment, packaging, logistic resources and other fixed operating assets, transportation equipment & other fixed assets: depreciation over 2 - 20 years.

The costs of major maintenance are included in the asset cost when incurred and if the criteria for capitalisation are met. These costs are written off over the estimated interval between such maintenance activities, in accordance with the component method of depreciation. All other maintenance costs are recognised directly in the profit and loss account. Impairments can arise when changes or circumstances indicate that the carrying value of an asset is unlikely to be recovered in the future (or not in full). (See also the explanation below concerning impairments of fixed assets.) Unused land intended for sale to third parties is not considered to be economically exchangeable and is valued at the historical cost of acquisition per location, net of cumulative impairment losses.

The land intended either for sale to trading partners or for company use in Aalsmeer, Naaldwijk and Rijnsburg is considered to be economically exchangeable.

Real estate investments refer to Real estate which is held to generate lease income and not intended for operational use. Properties under construction or development for future use as investments are recognised separately as investment properties. Real estate investments are initially recognised at acquisition cost, including transaction expenses. Following initial recognition, the real estate investments are carried at historical cost (net of cumulative depreciation and impairment losses). A real estate investment ceases to be capitalised in the event of disposal. In the case of permanent disuse, an impairment loss is recognised if no future economic benefits can be expected. The gain or loss arising from the disposal is determined as the difference between the net income and carrying value of the asset, and is recognised in the profit and loss account. In the event of the sale of a tangible fixed asset, the realised portion of the revaluation reserve is included in the other reserves.

Impairment of fixed assets

An important component of Royal FloraHolland's strategy is to provide attractive floriculture marketplaces that efficiently facilitate traders and secure their loyalty. This strategy calls for significant investments in assets, especially in land, buildings and software, and is an important part of the Royal FloraHolland long-term vision. However, given the market conditions and developments in the financial, digital and real estate sectors, medium-term and long-term fluctuations in the valuation of fixed assets cannot be ruled out. These fluctuations can therefore lead to impairments, despite the long-term vision. Royal FloraHolland periodically reviews its policies on depreciation, amortisation, valuation principles and investments, in particular in relation to investments in land, buildings, goodwill and software. At each balance sheet date, Royal FloraHolland evaluates potential indications that an asset or cash-generating unit may be subject to an impairment. If such indications exist, the carrying value of the asset is assessed against its realisable value, which is the higher of the net realisable value and the value in use. The value in use is determined by estimating the future net cash flows from continued use of both the asset and the cash-generating unit; these cash flows are then discounted to their present value using the appropriate discount rate. An impairment loss is recognised directly as an expense in the profit and loss account, with a simultaneous reduction in the carrying value of the asset concerned.

Financial fixed assets

On each balance sheet date the group assesses whether a financial asset or group of financial assets has incurred an impairment. For all categories of financial assets valued at the amortised cost of acquisition, if an impairment is objectively indicated the corresponding impairment loss is determined and recognised in the profit and loss account. For those financial assets valued at the amortised cost of acquisition, the size of the impairment loss is determined as the difference between the carrying value of the asset and the best possible estimate of the future cash flows, discounted at the effective rate of interest that was determined for that financial asset at initial recognition of the instrument. Participating interests subject to significant influence by the group over their financial and operating policies are valued at the net asset value. Significant group influence is in any case assumed to be present when the shareholding exceeds 20%. The net asset value is calculated in accordance with the accounting policies that apply to these financial statements. If the calculated net asset value of a participating interest is negative, then the carrying value is set to zero. In such a situation, if and to the extent that Royal FloraHolland guarantees the debts of the participating interest, whether in full or in part, or has the firm intention to enable the participating interest to repay its debts, a provision is recognised.

Participating interests not subject to significant influence over their financial and operating policies are recognised at acquisition cost net of any necessary write-downs due to permanent impairment. Receivables recognised under financial fixed assets are carried at amortised cost, net of any provision deemed necessary for bad debts.

Mergers and acquisitions

Acquisitions are recognised in the financial statements using the purchase accounting method. This means that the acquired assets and liabilities are recognised at fair value as at the acquisition date. The difference between the acquisition cost and the company's share in the fair value of the identifiable assets and liabilities acquired at the time of the transaction of a participating interest is recognised as goodwill.

Inventories

Inventories mainly comprise single-use packaging; they are valued at acquisition cost or the net realisable value if lower. The acquisition cost of inventories is determined according to the 'first in, first out' rule. The acquisition cost is made up of the purchase price plus additional costs. Additional costs comprise any import duties and other taxes, transport and handling costs, plus any other costs directly attributable to obtaining the inventories. The net realisable value is determined based on the prices in the most recent sales transactions net of the estimated selling costs.

Receivables

Any loans provided and other receivables are initially recognised at fair value plus transaction costs and subsequently valued at amortised cost net of any required provision for bad debts. If there are no premiums, discounts or transaction costs, the amortised cost is equal to the nominal value of the receivables.

Cash and cash equivalents

Cash and cash equivalents refers to cash and the balances in bank accounts, which are stated at nominal value. Cash and cash equivalents to which the group will not or is not expected to have access for more than twelve months are classified as financial fixed assets..

Provisions

A provision is recognised when on the balance sheet date, the group has a legally enforceable or constructive payment obligation the settlement of which is likely to require an outflow of money and where the amount can be reliably estimated. The size of the provision is determined as the best estimate of the amounts necessary to settle the relevant liabilities and losses as at the balance sheet date. Unless stated otherwise, provisions are recognised at present value.

Pensions

The Dutch pension schemes are subject to the Dutch Pensions Act (Pensioenwet). The company pays basic premiums to pension funds and insurance companies on a mandatory, contractual or voluntary basis. The premiums are recognised in employee expenses at the time they fall due. Premiums paid in advance are recognised in prepaid expenses and accrued income if they will lead to a refund or to a reduction in future payments. Premiums not yet paid at balance sheet date are recognised in the balance sheet as a liability. A provision is recognised for present obligations (other than premiums payable) towards the pension provider and/or employees. Such pension provisions are measured on the basis of the best estimate of the present value of the amounts expected to be required to settle the obligation. The discount rate used to determine the present value is the market yield on high-quality corporate bonds. If the discounting period for the expenditure is one year or less, the obligation is not discounted. Creation and release of pension provision are debited or credited, respectively, to the profit and loss account. Royal FloraHolland has placed the basic pension scheme with Pensioenfond PGB since 1 January 2020. Following a transfer of undertaking, the supplementary pension scheme has been placed with Centraal Beheer PPI since 1 September 2022. The scheme with Pensioenfond PGB is a conditional defined-benefit (average salary) scheme with conditional indexation. The accrual percentage is 1.75%. The board of Pensioenfond PGB decides annually whether indexation is possible on the basis of the policy funding ratio for December. A condition for partial or full indexation is that the policy funding ratio must exceed 110% in December. The policy coverage ratio in as of the end of November 2024 was 115.9%. Pension indexation at PGB over 2024 is 0.4%. The scheme at Centraal Beheer PPI is a defined contribution scheme. In accordance with the age-dependent graduated scale, money is deposited for the pension capital.

Until December 31, 2019, Royal FloraHolland had an insured pension plan with Nationale-Nederlanden (NN). In 2022, Royal FloraHolland reached an agreement with the unions on the use of the segregated investment deposit, a deposit with pension destination. The released funds will be used to for 4 years unconditionally index the pension accrued at NN by 1.232% (from Jan. 1, 2021 to Jan. 1, 2026). Up to and including 2021, Royal FloraHolland had a Partner Pension on an basis with accrual both NN and PGBAs of 2021, the Partner Pension at PGB will be on a risk basis.

Work anniversaries

The provision for work anniversaries relates to the present value of the cost of future bonuses to employees for long periods of service, taking into account the chance of early termination of employment and death. The present value is based on a discount rate of 3.0% (2023: 3.2%).

Restructuring

The restructuring provision relates to the costs attributable to redundancies under the social plan. The restructuring provision is recognised at nominal value.

Non-current liabilities

Non-current liabilities are initially recognised at fair value. If subsequent valuations are not based on fair value with value adjustments recognised in the profit and loss account, then on initial recognition the directly attributable transaction costs are deducted from the fair value. After initial recognition, non-current liabilities are valued at the amortised cost according to the effective interest method. Profit or loss is recognised in the profit and loss account as soon as the liabilities cease to be recognised in the balance sheet, as well as through the process of amortisation.

Depositary receipts

Members participate in the capital of the cooperative by holding fully or partially paid-up 'A' depositary receipts (equity) and 'B' depositary receipts (loan capital). In addition, the cooperative may agree with members, but also with non-members, that under certain conditions they can participate in the loan capital of the cooperative by means of 'C' and 'D' depositary receipts.

On 31 December 2016, the credit balance in a member's participation account was used to fully pay up their 'A' depositary receipt. If the credit balance was in excess of €20,000, the excess amount became the new balance in the participation account. This balance, and the balance in the participation accounts of former members on that date, make up the Final Balance. The conditions under which members and/or non-members can participate in depositary receipts, including stipulations regarding interest and rights to distribute/claim the paid balances, are stated in Articles 17 and 40 of the Articles of Association of the cooperative.

Current liabilities

Current liabilities are initially recognised at fair value. If subsequent valuations are not based on fair value with value adjustments recognised in the profit and loss account, then on initial recognition the directly attributable transaction costs are deducted from the fair value. After initial recognition, current liabilities are valued at the amortised cost according to the effective interest method. Profit or loss is recognised in the profit and loss account as soon as the liabilities are no longer recognised in the balance sheet, as well as through the process of amortisation.

Refundable deposits

Deposit refund liabilities are recognised at the face value of the deposits paid for reusable packaging in circulation as at the balance sheet date, net of an estimated amount for packaging that will not be returned. The size of the deposit refund liability is determined annually, based on the quantity of reusable packaging in circulation at the balance sheet date. Any difference to the previous balance is debited or credited to the profit and loss account, as appropriate.

Leasing

The judgement as to whether an agreement entails a lease is based on the economic reality at the commencement date of the contract. In the case of finance leases (whereby the advantages and disadvantages of ownership of the leased object are borne entirely or almost entirely by the lessee), the leased object and the related liabilities are recognised in the balance sheet at commencement of the agreement at the fair value of the leased object, or at the present value of the minimum lease payments if lower. The initial direct costs for the lessee are included in the initial recognition of the asset. The lease payments are split into interest expenses and repayment of the outstanding liability, with a constant interest rate applicable to the remaining net liability. The lease obligations, excluding the interest component, are recognised under non-current liabilities. The interest component is reported in the profit and loss account over the term of the contract. Capitalised leased objects are depreciated over the shorter of the lease term and the useful life of the object.

In the case of operating leases, the lease payments are charged to the profit and loss account on a straight-line basis over the lease term. In operating leases where Royal FloraHolland is the lessor, the lease income is credited to the profit and loss account on a pro-rata basis over the lease term. Initial direct costs are charged directly to the profit and loss account.

Income

Income from the sale of goods is recognised as soon as all significant rights and risks related to ownership of the goods are transferred to the purchaser, Royal FloraHolland no longer has the goods at its disposal, the income can be reliably determined, and it is likely that the income will accrue to Royal FloraHolland. Income from services is recognised by reference to the stage of completion of the transaction as at the balance sheet date relative to the total value of services to be rendered, provided that the result can be reliably estimated.

Other operating income

Other operating income is income that is not directly related to the supply of goods or services in connection with normal, recurring operations.

Net revenue

Net revenue is income from the supply of goods and services. The services provided by Royal FloraHolland and its group companies mainly concern the auctioning of flowers and plants, the rental of packaging, trolleys and CC containers, real estate leasing and road transport. The income associated with these services comprise commissions on the auction prices of products, fees based on the number of auctioned lots and transactions, rented trolleys and services provided, rental income from the rental of packaging, trolleys, CC containers and leasing of real estate, and income from transport shipments. Income is recognised at the transaction price, which is the amount to which Royal FloraHolland expects to be entitled in exchange for transferring promised goods or services to a buyer. This amount excludes amounts collected on behalf of third parties (including taxes levied on revenue).

Discounts and rebates are applied to the income based on agreements with growers and buyers. Determination of the transaction price does not take account of credit risk. When determining the transaction price, it is assumed that the goods or services will be supplied in accordance with the terms of the relevant contract and that the contract will not be cancelled, extended or otherwise amended.

Determination of profit or loss

The profit or loss, i.e. the net result from the operating income and expenses for the financial year, is attributed to the year in which it was earned. Operating income ('profit') other than product revenue is recognised provided it was realised on or before the balance sheet date. Operating expenses ('losses') that originate before the end of the financial year are recognised only if they become known prior to the preparation of the financial statements.

Employee benefits

Periodically payable remuneration

Wages, salaries and social security costs are recognised in the profit and loss account according to the terms of employment and to the extent that they are due to employees or the tax authorities respectively.

Profit/loss from participating interests

The group's share in the profit or loss of participating interests in which the group does not have a controlling interest is recognised in the profit and loss account based on the net asset value. Insofar as recognition is not based on the net asset value, the profit/loss referred to is the dividend received in the financial year and any impairment losses.

Financial income and expenses

Interest income and expenses

Interest income and expenses are recognised on a time-weighted basis, taking into account the effective interest rate of the corresponding assets and liabilities. Recognised transaction costs on loans received are taken into account when recognising the interest expenses.

Exchange differences

Exchange differences occurring in the settlement or conversion of monetary items are recognised in the profit and loss account for the period in which they occur.

Dividends

Dividends receivable from participating interests and securities not valued at net asset value are recognised as soon as Royal FloraHolland obtains the right to them..

Taxes

Corporation tax on the stated profit is calculated taking account of tax-exempt items and fully or partially non-deductible expenses. A deferred tax liability or deferred tax asset is recognised for taxable or deductible temporary differences. A deferred tax asset is recognised under current assets if it is expected that this receivable can be set off against tax payable in future. The deferred tax asset is recognised as available for carry-forward losses to the extent that it is likely that taxable profit will be available in future for set-off. The deferred tax assets and liabilities are recognised at nominal value, based on the current and future tax rate of 25.8%. Deferred tax assets are carried at their nominal value.

Statement of cash flows

The statement of cash flows is prepared according to the indirect method. The funds in the statement consist of cash and cash equivalents. Cash flows in foreign currencies are converted at an estimated average exchange rate. Exchange differences relating to cash and cash equivalents are shown separately in the statement of cash flows. Income and expenses from interest, dividends received and corporation tax are stated in the cash flow from operating activities. Dividends paid are stated in the cash flow from financing activities. The acquisition cost of acquired group companies and the selling price of group companies that were sold are stated in the cash flow from investing activities, provided that payment was made in cash or cash equivalents. The cash resources available in these group companies have been deducted from the purchase price and the selling price respectively. Transactions that do not involve an exchange of cash resources are not included in the statement of cash flows.

Financial instruments

Financial instruments include both primary financial instruments such as receivables, securities and debt, and financial derivatives. All purchases and sales of financial assets in accordance with standard market conventions are recognised on the transaction date, i.e. the date at which the group enters into the binding agreement. The principles that apply to the primary financial instruments are explained in the notes per balance-sheet item.

Fair value of financial instruments

Fair value is the amount for which an asset could be traded or a liability settled between knowledgeable, parties willing in an arm lengths transaction. If a reliable fair value is not readily, fair value is approximated by deriving it from the fair value of components or a similar financial instrument, or by using valuation models and valuation techniques.

Such methods include:

- the use of recent market transactions between independent parties;
- the use of the current fair value of another instrument that is almost identical;
- analysis based on discounted cash flows or other valuation models.

The fair values of financial instruments are explained in the notes to the balance sheet, under 'Financial instruments and risk management'.

Risk management

The principal risks related to the group's financial instruments are the interest-rate risk, credit risk and liquidity risk. Transactions in foreign currencies take place only to a limited extent. Assets and liabilities are also generally denominated in euros. The exchange risk is therefore limited. A description of group policy to limit these risks is provided in the section 'Financial instruments and risk management' of the notes to the consolidated balance sheet.

Notes to the consolidated balance sheet 2024

(amounts x € 1,000)

Fixed Assets

1) Intangible fixed assets

The composition of the book value as of the balance sheet date and the movement is as follows:

	Goodwill	Software	2023
Balance at January 1, 2023	11,300	45,106	56,406
Movements			
Investments	-	21,545	21,545
Transfers	-	221	221
Amortisation	-1,424	-15,578	-17,002
Disposals	-	-	-
Corrections	319	2,598	2,917
Impairment losses	-	-2,042	-2,042
Balance at December 31, 2023	10,195	51,850	62,045
Cumulative purchase value	13,423	112,046	125,470
Cummulative amortisation and impairment losses	-3,228	-60,196	-63,425
Balance at December 31, 2023	10,195	51,850	62,045

	Goodwill	Software	2024
Balance as of January 1, 2024	10,195	51,850	62,045
Movements			
Investments	-	23,061	23,061
Transfers	-	-228	-228
Amortisation	-1,197	-17,387	-18,584
Disposals	-	-	-
Corrections	-318	-65	-383
Impairment losses	-805	-	-805
Balance at December 31, 2024	7,875	57,231	65,106
Cumulative purchase value	13,105	134,814	147,919
Cummulative amortisation and impairment losses	-5,230	-77,583	-82,813
Balance at December 31, 2024	7,875	57,231	65,106

Investments relate to the development of new software and the further development of existing software. An accelerated depreciation of € 2.0 million will occur on software from the current auction systems during 2024 and 2025, as this software cannot be used in the process of digital auctions that will be implemented starting in 2026.

The goodwill Floriway relates to the acquisition of the shares of three transportation companies in 2021 by Floriway Logistics B.V (Floriway).

The estimated economic life of goodwill is 10 years, because the activities related to the acquired companies were acquired for a long-term period.

Floriway's sales in 2024 were 10% lower than in 2023, partly due to lower production and transportation volumes in the floriculture sector, but also due to the loss of customers. Floriway was well positioned for the peak, however, could not sufficiently keep up with these lower-than-expected volumes. Floriway also had to contend with high absenteeism due to illness, as a result of which the intended mix of deployment of labour (internal/external) was not achieved. Finally, in the 1st half of 2024, the targeted productivity improvement was not realized. This negatively impacted Floriway's results. Despite the improvement in the second part of 2024, this is considered a "triggering event"; an indication that goodwill may be subject to impairment.

Forecasts around revenue development, margin improvement, discount rate and input variables have become more uncertain because in recent years realization has lagged significantly behind forecasts. These are inherent uncertainties associated with the valuation of intangible assets.

At the end of 2024, the recoverable amount of goodwill was calculated based on its value in use.

Floriway's management prepared budgets over a 6-year period (2025 to 2031), which is approved by shareholders internally.

To determine the value in use for the purpose of impairment testing, a cut-off was made to these management projections and a more conservative scenario drawn up without management ambition. This applies to both revenue development and margin improvement. The free cash flows in this scenario are on average 40% lower than in the management case. For the subsequent period, the projected cash flows are based on an extrapolation of the cash flows, taking into account a constant growth rate of 2% per year (2023: 1.8%).

Based on this scenario, there is an impairment of € 0.5 million. In calculating the recoverable amount at the end of 2024, was taken into account a discount rate (WACC) of 12% (2023: 11.15%).

Management made various sensitivity calculations. If the average cash flows 10% lower, the impairment would be €1.4 million higher. If the WACC used 20% higher, the impairment would be €2.4 million higher.

As a result of the planned liquidation of Blueroots, an extraordinary impairment has occurred on the remaining goodwill of € 0.3 million as of the balance sheet date.

Goodwill arose at the time of acquisition of the following companies and amounted to at the end of 2024:

	2024	2023
Blueroots B.V.	-	424
Floriway Logistics B.V.	7,851	9,741
Other	24	30
Total	7,875	10,195

2) Tangible fixed assets

The composition of the book value as of the balance sheet date and the movements are as follows:

	Balance at January 1, 2023	Investments	Transfers	Depreciation and impairment losses	Disposals	Balance at December 31, 2023
Land						
Land	77,222	1,564	-853	-	-191	77,742
Site facilities	29,384	1,778	4,411	-3,261	-	32,312
Subtotals	106,606	3,342	3,558	-3,261	-191	110,054
Buildings	284,306	15,671	10,548	-31,840	-951	277,734
Equipment, packaging and logistic resources						
Equipment	30,037	9,764	3,200	-5,237	-	37,764
Packaging and resources used in the logistics process	42,349	6,758	2,400	-8,623	-	42,884
Subtotals	72,386	16,522	5,600	-13,860	-	80,648
Other fixed operating assets	35,561	1,336	744	-10,837	-402	26,402
Not used for business operations						
Land and buildings	62,902	-	1	-	-1	62,902
Operating assets under development	26,131	18,853	-20,672	-	-	24,312
Subtotals	89,033	18,853	-20,671	-	-1	87,214
Totals 2023	587,892	55,724	-221	-59,798	-1,545	582,052

	Position as of January 1, 2024	Investments	Transfers	Depreciation and impairment losses	Disposals	Balance at December 31, 2024	
Land							
Land	77,742	182	-1,007	-	-1,334	75,583	
Site facilities	32,312	2,910	2,130	-3,597	-	33,755	
Subtotals	110,054	3,092	1,123	-3,597	-1,334	109,338	
Buildings	277,734	18,448	10,465	-32,202	-	274,445	
Equipment, packaging and logistic resources							
Equipment	37,764	8,487	4,384	-6,322	-	44,313	
Packaging and resources used in logistic processes	42,884	9,543	610	-8,653	-	44,384	
Subtotals	80,648	18,030	4,994	-14,975	-	88,697	
Other fixed operating assets	26,402	2,862	1,672	-9,033	-386	21,517	
Not used for business operations							
Land and buildings	62,902	49	37	-	-	62,988	
Operating assets under development	24,312	17,758	-18,063	-	-	24,007	
Subtotals	87,214	17,807	-18,026	-	-	86,995	
Totals 2024	582,052	60,239	228	-59,807	-1,720	580,992	
	Sites	Commercial buildings	Installations, packaging and logistical resources	Other fixed company resources	Not to the business subserving	2024	2023
Cumulative purchase value	159,599	1,050,497	361,593	193,678	140,840	1,906,207	1,847,461
Cumulative depreciation and impairment losses	-50,261	-776,052	-272,896	-172,161	-53,845	-1,325,215	-1,265,409
Balance at December 31	109,338	274,445	88,697	21,517	86,995	580,992	582,052

The land not serving the business concerns free land for sale to trading parties and for sale to third parties. The free land for sale to trading parties is held for future sales to Royal FloraHolland customers in support of the central marketplace function.

The fair value of land and buildings that are not used for business operations amounts to € 138.8 million based on the most recent valuation reports from 2023 (2023: € 138.8 million).

The investments that will be put into use during the year have been allocated to the appropriate asset category through the 'transfers' column. Investments that have been taken into use in 2024 include, among others, the cold storage facility in Aalsmeer, the diesel motor emission (DME) clearance at the Aalsmeer location, renovation of the cold storage facility in Naaldwijk, replacement of components in the overhead conveyor in Aalsmeer, replacement of the asphalt slope on the parking deck in Aalsmeer, replacement of pumps and shut-off valves in the heat distribution network in Aalsmeer, replacement of batteries in electric vehicles, replacement of high-voltage switches in Naaldwijk, acquisition of step and distribution tractors, refurbishment of air treatment installations in Naaldwijk and replacement of couplings for T-beams on the parking deck in Naaldwijk.

Investments not yet in use by the end of 2024 include relocating transformer station Rijnsburg, replacing fluorescent lighting with LED all locations, replacing feeder docks Naaldwijk, asbestos decontamination of roofs Rijnsburg, replacing doors docks Rijnsburg and building cold storage cell Aalsmeer.

The book value of land includes an amount of € 5.2 million over which Royal FloraHolland has no legal ownership. This concerns the land leased by Royal FloraHolland on a long lease to Plant Port 2 B.V. and on which the Green Horti Center is located.

Part of the commercial building at Legmeerdijk 313 in Aalsmeer is mortgaged in favour the banking consortium consisting of ABN AMRO Bank, Rabobank and ING Bank.

3) Financial fixed assets

The composition of the book value as of the balance sheet date and the movements are as follows:

	Participating interests	Other receivables	Deferred taxes	2024	2023
Balance at January 1	9,620	467	13,425	23,512	19,176
Movements					
Investments	-	-	-	-	201
Disposals	-	-	-	-	-
Profit/loss participating interests	2,994	-	-	2,994	3,184
Dividend distribution	-5,036	-	-	-5,036	-2,518
Loans granted	-	-	-	-	-
Repayments	-	-307	-	-307	-
Additions	-	975	1,098	2,073	5,320
Reclassifications	-	-	19	19	-1,927
Impairment losses	-362	-	-	-362	-
Other movements	-8	-115	-	-123	76
Balance at December 31	7,208	1,020	14,542	22,770	23,512

Breakdown of the carrying value of investments as of the balance sheet date is as follows:

	2024	2023
Plant Port I B.V.	879	3,270
Auction Rhein Maas GmbH & Co. KG	4,209	3,721
Plantion Holding B.V.	1,225	1,225
Other participations	895	1,404
Totals	7,208	9,620

Participations

The profit or loss from participating interests in the consolidated profit and loss account comprised a profit of €3.0 million (2023: profit of €3.2) and comes for €2.5 million from Veiling Rhein Maas, for €0.4 million from Plant Port and for €0.1 million from Blueroots.

In 2024, the stake in Blueroots in the amount €0.4 million was charged to income as an impairment charge due to the proposed liquidation of Blueroots.

Other receivables

Other receivables mainly concern prepaid financing costs for the years 2026 - 2031 in the amount of €975 thousand regarding the Royal FloraHolland credit facility concluded in 2024.

Deferred taxes

Deferred tax assets and liabilities within the fiscal unit are presented netted. As of December 31, 2024, this results in a deferred tax asset. The deferred tax position originates, on the one hand, in deferred tax assets resulting from (1) differences between the commercial and fiscal valuation of tangible fixed assets due to tax depreciation limitation on buildings, (2) provision CCs not recognized for tax purposes and (3) difference between commercial and tax valuation of anniversary provision.

On the other hand, the deferred tax position is determined by deferred tax liabilities resulting from (1) differences between the commercial and fiscal valuation of property, plant and equipment due to maintenance expenditures that are recognized directly as costs in the income statement for tax purposes and capitalized as investments on the sheet for commercial, (2) differences between the commercial and fiscal valuation of property, plant and equipment related to reinvestment reserves used in the past and (3) the fiscal provision for major maintenance, created in the past, which is not recognized commercially.

The deferred tax provision was formed based on the current and future corporate tax rate of 25.8%. The provision has a term longer than one year.

Transactions with related parties

All transactions with group companies and associates have been conducted at arm's length. Related parties of Royal FloraHolland can be distinguished into participating interests and other related parties.

Other related parties are: Floriculture Products Trade Association, Floriculture Sustainability Initiative (FSI), National Cooperative Council (NCR), Staff Association Flower Auction FloraHolland, Flower Bureau Holland Foundation (BBH), The Green City, FoundationFloraXchange, Third-Party Funds Foundation Floricode, Foundation FloraHolland Charities, Greenport Aalsmeer Foundation, Greenport Westland Foundation, Foundation Oostland, Greenports Netherlands Foundation, Restructuring and Foundation Development of Horticulture Sector (HOT), Hortipoint Foundation, Innovation Glasshouse Horticulture Foundation (SIGN), Kom in de Kas, Foundation MPS, Foundation FloriWorld, Bondholders Foundation FloraHolland Naaldwijk, Seniors' Club Foundation Horticultural Entrepreneur Prize, Foundation Business Park Location East, Association Flower Auction Association (VBN), Trade Parc Westland, Owners Association VBA - South Terrain, Owners Association Sierteelt Verpakkingspool CV, members of the Supervisory Board and the Executive Board.

The nature of the main transactions with related parties concerns financing, buyer and grower's taxes and payroll and general expenses. In addition, parties may qualify as related parties because Royal employees FloraHolland fulfill a management role within the related party from their position within Royal FloraHolland.

Current Assets

Receivables

4) Trade receivables

All receivables included under trade receivables are due within 1 year.

5) Other receivables, prepaid expenses and accrued income

	2024	2023
Taxes and social security contributions	2,617	11,912
Prepaid costs	4,734	5,966
Other receivables	1,168	392
Prepayments and accrued income	8,257	5,440
Balance at December 31	16,776	23,710

All other receivables and accruals are due within 1 year.

The decrease in taxes and social security contributions is mainly due to refunds from the tax authorities regarding corporate income tax for the years 2022 and 2023 totalling €6.9 million. The year-end balance of € 2.6 million consists of € 1.8 million from sales tax receivable in the Netherlands and Belgium, among others, and € 0.8 million from corporate income tax receivable.

The prepaid costs item of € 4.7 million consists of a large number of various prepaid invoices that were paid in fiscal year 2024 but relate to fiscal year 2025.

Prepayments and accrued income amount to € 8.2 million and consist of a large number of miscellaneous items relating to revenues yet to be invoiced and costs yet to be charged.

Group equity

6) Equity

The equity amounts to € 193.7 million as of the balance sheet date (2023: € 186.9 million). The consolidated equity is identical to the company equity. For further clarification, please refer to the notes on the company balance sheet.

7) Facilities

	2024	2023
Balance at January 1	5,745	4,862
Movements		
Additions	4,704	1,080
Withdrawals	-1,757	-197
Balance at December 31	8,692	5,745

Reorganization provisions have been made at year-end 2024 under the Fit for Future program (€ 3.4) and for the Eelde location (€ 0.2). In addition, part of the reorganization provision remains for the activities of Flower Handling Services that will cease in 2023 (€ 0.4).

Other provisions have been formed for future anniversary benefits (€3.7 million), for long-term illness (€0.5 million) and missing CC containers (€0.4).

The provisions predominantly have terms longer than 1 year.

Non-current liabilities

The balances stated under non-current liabilities for 'B' depositary receipts, 'C' depositary receipts and 'D' depositary receipts as at 31 December 2024 have a maturity greater than 1 year. The disbursements that will occur during 2025 have a maturity shorter than 1 year and are accounted for under current liabilities.

8) 'B' depositary receipts

	2024	2023
Balance at January 1	199,557	215,431
Movements		
Capital contribution credits	26,757	25,572
Additional payouts during current financial year	-4,277	-1,797
Payouts in next financial year, recognised under current liabilities	-32,322	-39,649
Balance at December 31	189,715	199,557
Of which:		
Term < 1 year	32,322	39,649
Term > 1 and < 5 years	89,453	102,482
Term > 5 years	100,262	97,076
Total	222,037	239,206

Repayment obligations within 12 months of the end of the financial year as explained in the table are included in current liabilities.

As in the previous year the capital contribution consists of a retained contribution of 0.5% of product sales from members and a specific group of non-members. In 2024, the total amount of the retained equity contribution (divided among the 'A', 'B' and 'D' depositary receipts) was € 28.4 million (2023:€ 27.3 million).

Article 17(4)(e) of the Articles of Association states that if the Risk-bearing Capital ratio exceeds the upper limit, the Council of Members can decide, on recommendation by the Executive Board, to repay more than just the oldest annual instalment ahead of schedule. In June 2016 the General Members' Meeting decided to maintain the upper limit for the risk-bearing capital at 55%. No annual instalments were repaid in 2024.

Credits to the Certificates B become interest-bearing as of January 1 following the year of crediting.

In 2024, year layer 2015 was repaid in amount of € 35.7 million. For 2024, 2.8% interest has been paid (2023: 1.0%). In 2025 an amount of €4.5 million (2024: €4.0) is expected to be paid to discontinued members. Year 2016 will be paid off in 2025.

Article 17(4)(h) of the Articles of Association stipulates that 'B' depositary receipts are subordinated to all claims of third parties against Royal FloraHolland.

9) 'C' depositary receipts

	2024	2023
Balance at January 1	44	44
Movements		
Payments in next financial included in current liabilities	-44	-
Balance at December 31	-	44
Of which:		
Term < 1 year	44	-
Term > 1 and < 5 years	-	44
Total	44	44

Repayment obligations within 12 months of the end of the financial year as explained in the table are included in current liabilities.

The amounts deposited on 'C' depositary receipts become due and payable after five years. Interest of 3.3% (2023: 1.5%) has been paid for 2024.

Article 17 (5) of the Articles of Association provides that 'C' depositary receipts are subordinated to all claims of third parties on Royal FloraHolland and of holders of 'B' depositary receipts.

10) 'D' depositary receipts

	2024	2023
Balance at January 1	3,035	3,227
Movements		
Capital contribution credits	366	372
Additional payouts during current financial year	-	-11
Correction to intended payout last year	62	-
Payments next financial year, recognised under current liabilities	-770	-553
Balance at December 31	2,693	3,035
Of which:		
Term < 1 year	770	553
Term > 1 and < 5 years	1,079	1,437
Term > 5 years	1,614	1,598
Total	3,463	3,588

Repayment obligations within 12 months of the end of the fiscal year as explained in the table are included in current liabilities.

Additions to 'D' depositary receipts become interest-bearing on January 1 following the year of addition. In 2024, no annual layer was redeemed, early interest of 2.8% was paid for 2024 (2023: 1%). In 2025 an amount of € 292 thousand (2024: € 52 thousand) is expected to be paid to discontinued relationships.

Article 17 (5) of the Articles of Association provides that the 'D' depositary receipts are subordinated to all claims of third parties on Royal FloraHolland and of holders of 'B' depositary receipts.

11) Long-term bank loans and Other liabilities

	Long-term bank loans	Financial lease obligations	Other liabilities	2024	2023
Balance at January 1	4,810	2,165	4,864	11,839	16,069
Movements					
Repayments	-4,810	-	-4,409	-9,219	-170
Addition	-	44	-	44	-
Other movements	-	-1,342	-108	-1,450	-4,060
Balance at December 31	-	867	347	1,214	11,839

Floriway Logistics fully repaid its long-term bank loans amounting to € 4.8 million in 2024. In place of these, Royal FloraHolland has provided financing to Floriway Logistics. For further clarification, please refer to note 13.

Financial lease obligations of € 0.9 million have been incurred to finance Floriway's fleet of vehicles.

Other liabilities of € 0.3 million relate to liabilities of Floriway and Floriway Transport regarding NOW grants.

Current liabilities

All current liabilities have a maturity of less than 1 year.

12) Credit institutions and cash

This includes the credit facility with banks. Royal FloraHolland has a credit facility with a syndicate of banks totalling €210.0 million, consisting of € 140.0 million revolving credit and € 70.0 million available for the development of Aalsmeer East. This credit facility closed in March 2024, has a term of five years, and two extension options of one each. The main terms of the availability of this credit facility are a leverage ratio whereby net debt/EBITDA must not exceed 3.5 (over a 12-month period) and that the risk-bearing capital must be at least 35%. These two ratios are measured and reported twice per year. Royal FloraHolland will meet the ratios as agreed in the bank covenant by December 31, 2024. The facility is subject to a variable interest rate based on the Euribor rate plus a surcharge, the facility contains a floor at 0%, so the interest payable cannot be lower than the surcharge.

For the credit facility, the following collateral has been provided: a first mortgage right established on part of the industrial building at Legmeerdijk 313 in Aalsmeer in favour of the banking consortium consisting of ABN AMRO Bank, Rabobank and ING Bank.

At the end of the fiscal year 2024, € 15.9 million will be drawn from the facility. As of December 31, 2024, this amount is fully classified under current liabilities to credit institutions.

During 2024, Floriway Logistics B.V. prematurely repaid and terminated its bank loan and current account credit totaling € 6.3 million. The shares held by the intermediate holding in this group company, along with the business assets and receivables, were pledged as collateral for the bank loan and the credit facility of Floriway Logistics B.V.

To repay this bank loan and bank overdraft, Royal FloraHolland provided an overdraft facility to Floriway Logistics B.V. of up to 8 million in 2024. As of December 31, 2024, the full amount has been drawn. The current account facility is included in the balance sheet of the related entities within the Group, but is eliminated in the consolidated balance sheet. The current account agreement was entered into for an indefinite period. An interest variable rate based on Euribor plus a mark-up is payable on the loan.

Cash is at the free disposal of the legal entity.

13) Debts and repayment obligations to members/non-members

Included in payables to members/non-members is outstanding product sales of December 23, 24, 27 and 30, 2024 amounting to €89.8 million. In 2023, this item related to the outstanding product sales of 27, 28 and 29 December in the amount of €71.8 million. Included in member/non-member redemption obligations is the 2024 (year layer 2016) redemption obligation of 'A', 'B', 'C' and 'D' depositary receipts in the amount of €35.0 million.

14) Refundable deposits

An annual release is made of the deposit liabilities of multi-use packaging in circulation on the balance sheet date. The size of the release rate for fiscal year 2024 is set at 1.7%, the same as in 2023.

15) Other liabilities, accrued expenses and deferred income

	2024	2023
Taxes and social security contributions	12,558	11,748
Annual leave and holiday allowance	18,012	16,578
Interest expense payable to banks and on members' loans	5,700	2,506
Accrued expenses and deferred income	566	1,322
Other liabilities	52,610	50,541
Balance at December 31	89,446	82,695

All payables and accruals have maturities of less than 1 .

The liability for taxes and social security contributions consists of €5.7 million in pension contributions payable, €3.8 million in payroll tax, payable € 1.7 million in sales tax payable and €0.9 million in corporate income tax payable.

The reservation for annual leave and holiday allowance increased, primarily due to a reservation for additional and reduced hours of logistics employees and an increase in from the position as of Dec. 31, 2023 hourly wages.

The interest expense on banks and member loans relates to the interest yet to be paid on the member loans as of December 31, 2024 of €5.7 million.

Other liabilities consist mainly of a large number of invoices and amounts yet to be received paid of € 32.2 million, guarantees received from buyers of € 14.0 million, levies yet to be remitted to the Bloem Bureau Holland of € 4.7 million and payables by virtue of funds held in trust by Royal FloraHolland from various FPCs and PSPs of € 1.6 million.

16) Financial instruments and risk

General

The data included in this note provide information that is helpful in estimating the extent of risks associated with both on-balance sheet and off-balance sheet financial instruments.

The group's primary financial instruments, other than derivatives, serve to finance the group's operating activities or arise directly those activities. The group also enters into transactions in derivatives (limited to interest rate swaps) to hedge interest rate risk arising from the group's financing activities. The group's policy is not to trade for speculative financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk is divided into fair value interest rate risk and cash flow interest rate risk. Fair value interest rate risk refers to the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Cash flow interest rate risk refers to the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

For receivables and payables with variable interest rate agreements, Royal FloraHolland is exposed to risk regarding future cash flows. Royal FloraHolland has no receivables and payables valued at fair value and therefore runs no risk over the fair value of fixed-interest receivables and payables due to changes in market interest rates.

Royal FloraHolland has no significant financial assets that are exposed to fair value interest rate risk and, from apart cash and cash equivalents, no significant financial assets that are exposed to cash flow interest rate risk. Therefore, with respect to receivables, no financial derivatives are contracted to hedge interest rate risk.

The cash flow interest rate risk incurred by the group due to fluctuations in market interest rates primarily to the variable rate (long-term) liabilities. The interest rate risk in respect of the variable interest on the member 'B', 'C' and 'D' depositary receipts and the bank loans are not hedged with interest rate swaps as of December 31, 2024. Given the current state of the credit facility, the cash flow interest rate risk in the event of a 1% rise in Euribor is € 0.2 million.

In addition, cash flow interest rate risk exists in intra-group financing on long-term borrowings at variable interest rates. As of December 31, 2024, the percentage of variable rate borrowings with respect to intra-group financing was 100% (2023: 100%).

Credit Risk

Credit risk refers to the risk that one party in a financial instrument will not fulfill its obligation, resulting in a financial loss for the other party. The counterparties of Royal FloraHolland in derivative and liquidity transactions are limited to financial institutions with high creditworthiness.

Royal FloraHolland's services are spread over a large group of customers so there is no great concentration of accounts receivable. To the risk of uncollectible accounts receivable, this is constantly monitored. Parties that purchase services from Royal FloraHolland are assessed on creditworthiness in advance. Depending on the outcome, the buyer may purchase certain services, for which collateral must be provided to limit the risk of bad debts. A predominant part of accounts receivable is covered by bank guarantees, sureties and a credit insurance policy. As of December 31, 2024 Royal FloraHolland has an amount of € 47.2 million in bank guarantees and sureties (as of December 31, 2023: € 46.3 million).

At December 31, 2024, accounts receivable amounted to € 55.7 million (December 31, € 49.1 million). This amount includes a bad debt provision of € 0.6 million (2023:€0.6 million).

Expected credit losses are measured based on all possible situations and developments that the debtor could cause to default. Additionally, during the expected total life of the receivable the valuation of credit losses is based on information available with reasonable cost and effort, about current developments and expectations regarding the market and major trading relationships. Receivables from debtors that are bankrupt or have filed for suspension of payments are provided 100 percent, as are receivables that have been for more overdue than 90 days.

Royal FloraHolland fully assumes the credit risk of members and suppliers by guaranteeing that members and suppliers receive weekly payment for the products, sold and delivered by them but only insofar as billing and collection have taken place by Royal FloraHolland and provided that the requirements in the relevant provisions in the have been met suppliers Auction Regulations. The group has guidelines by the members and drawn up to the extent of credit risk at each financial institution and debtor. The credit insurance taken out covers 90% of the debtor risk, with an excess of €0.2 million. In addition, the group constantly monitors its receivables and uses a strict dunning procedure. Through the above measures, the group's credit risk is limited as much as possible.

Liquidity risk

Liquidity risk refers to the risk that Royal FloraHolland will have difficulty raising the financial resources needed to meet its short-term obligations. Careful management of the liquidity risk implies that Royal FloraHolland maintains sufficient cash and cash equivalents and that sufficient financing capacity is available, in the form of committed and committed credit facilities.

Further agreements were made with credit institutions in the bank covenant regarding Royal FloraHolland's creditworthiness ratios. The following securities have been provided : for the credit facility a first mortgage right established on part of the commercial building at Legmeerdijk 313 in Aalsmeer in favour of the banking consortium consisting of ABN AMRO Bank, Rabobank and ING Bank.

Liquidity plans are drawn up periodically by Royal FloraHolland and its group companies. by Liquidity risks are controlled interim monitoring and any adjustments. The liquidity plans take account into the limited availability of cash cash equivalents, including bank guarantees and possible accelerated payment of deposits, which are as current liabilities. For an explanation of the credit facility and related covenants, please refer to the notes to long-term debt, see note 13 of the consolidated financial statements.

Fair value derivatives

As of year-end, the group has no outstanding derivative contracts.

17) Off-balance sheet assets, obligations and arrangements

	December 31, 2024				December 31, 2023			
	< 1 year	2-5 years	> 5 years	Total	< 1 year	2-5 years	> 5 years	Total
Investment obligations	31,787	62,080	5,590	99,457	28,383	360	540	29,283
Operating lease obligations	2,007	4,138	2,570	8,715	2,229	4,823	3,084	10,136
Lease obligations	747	-	-	747	953	-	-	953
Guarantees	1,589	1,589	-	3,178	1,673	-	-	1,673
Total	36,130	67,806	8,160	112,096	33,237	5,183	3,624	42,044

Investment commitments as of December 31, 2024 have increased compared to the position as of December 31, 2023. This increase is primarily due to the multi-year obligations from the contract concluded with Heijmans in 2024. The decrease in rental obligations as of December 31, 2024, compared to the position as of December 31, 2023, is due to the expiration of the leaseback obligation. Operating lease commitments have decreased by € 1.5 million, while guarantees have increased by € 1.5 million.

Royal FloraHolland has issued bank guarantees as of December 31, 2024 in the amount of € 1.6 million (2023: € 1.7 million).

In addition, several more claims have been filed against Royal FloraHolland and litigation is pending. (Former) employees of the Aalsmeer location may have been exposed to asbestos. As of today, no concrete cases of exposure are known and no claims have been filed to date. Because the conditions are not met, either no provision for possible claims has been provided.

All claims are disputed. Legal advice on the claims and disputes has been sought . by Royal FloraHolland where necessary and relevant. However, the outcome of negotiations and/or proceedings cannot be predicted with certainty.

Royal FloraHolland has issued a comfort letter to Floriway Logistics B.V. and its subsidiaries. This comfort letter relates to assurances regarding liquidity and financing.

18) Notes to the cash flow statement

Investments in property, plant and equipment include only those for which cash was sacrificed in 2024.

Notes to the consolidated profit and loss account for 2024

(amounts x € 1,000, unless otherwise indicated)

Product revenues

(x € 1 million)	2024	2023
Total clock auction revenue	2,149	2,035
Direct sales revenue	3,197	3,076
Total product revenues Royal FloraHolland	5,346	5,111

Royal FloraHolland's total share of clock auction revenue, measured in product revenue, is 40.2% in 2024 (2023: 39.8%). The share of direct sales revenue in 2024 is 59.8% (2023: 60.2%). The product revenues realized by members of Royal FloraHolland in 2024 will be € 5,053 million (2023:€ 4,812 million) and product revenues of other suppliers in 2024 € 293 million (2023: € 299 million).

Members can make use of the Temporary Exemption Member Turnover (TOL) scheme on which commission is to Royal FloraHolland. In 2024, over€ 224 million (2023:€ 384 million) of product sales outside the auction, an after-tax TOL commission was paid by members to Royal FloraHolland.

Operating income

19) Miscellaneous income

Miscellaneous income in 2024 amounts to €39.1 million (2023:€ 25.3 million). This item proceeds from sales (€7.1 million), information services (€8.2), other income (€7.5 million), quality services (€4.1 million), facility services (€3.2), administrative services (€3.4) and mediation services (€1.8 million). The increase is mainly caused by the result on the sale of real estate.

Operating expenses

(20) Wages and salaries

	2024	2023
Group employees' salaries	153,145	144,863
External personnel	45,004	50,945
	198,149	195,808

Wages and salaries in 2024 amount to € 198.1 million (2023: € 195.8 million). The increase is explained by increases in collective bargaining wages and the addition to the provision for reorganization.

Supervisory Board compensation and Executive Board remuneration

The compensation of the Supervisory Board and the remuneration of the Executive Board are based on the amounts charged to income in the fiscal year.

In March 2024, the Members' Council determined the remuneration amounts for the Supervisory Board for the period 2024-2026. On the recommendation of the Supervisory Board, these amounts have remained the same as for the period 2021-2023. The total remuneration for the Supervisory Board (9 people) amounted to € 580,000 (2023: € 522 thousand*). This is a fixed payment for their work. The increase in payment compared to 2023 is explained by the additional time spent by the new chair in his first year, in accordance with the established payment scheme and the establishment of the new Digital Committee from May. The basic remuneration for commissioners is € 40,000 per year. Commissioners also receive a fixed travel and accommodation allowance of € 3,500 per year, with the exception of the chairman and commissioners living abroad, who receive an allowance based on expense claims**. In addition to the basic remuneration, the chairman received an additional payment of € 111,500 in 2024. According to the aforementioned remuneration scheme, this amount will be phased out in the coming years. The vice-chairman and the committee chairmen receive an additional payment of € 10,000 and the committee members receive € 5,000 per year. The supervisory directors are paid in arrears on a quarterly basis. In 2024, Royal FloraHolland reimbursed the costs of a number of training courses for supervisory directors (€10,000) and advice to the Supervisory Board. This also includes the consultancy fees of the real estate consultant.

The total remuneration (fixed and variable combined) of the Executive Board in 2024 was € 2.2 million gross (2023 :€ 1.4 million). The variable remuneration, as of this part of the Executive Board collectively amounted to € 550 thousand gross. This concerns the variable remuneration for the year 2024, which will be paid in 2025. The established variable remuneration comes thus amount to 35% of the fixed for S. van Schilfgaarde, 35% for D. van Mechelen and 37% of the fixed for P. Bootsma.

Executive Board remuneration***

	2024 Fixed	2023 Fixed	2024 Variable	2023 Variable	2024 Retirement	2023 Retirement	2024 Total	2023 Total
P. Bootsma	512	-	178	-	21	-	711	-
D. van Mechelen	486	473	163	138	21	20	670	631
S. van Schilfgaarde	626	614	209	177	23	22	858	813
	1,624	1,087	550	315	65	42	2,239	1,444

* Adjusted for comparison purposes: from the 2024 annual report, in addition to the fixed remuneration of €3,500, the declared travel and accommodation expenses will also be accounted for

** Expenses are accounted for in the year in which the payment was made.

*** Table excludes Royal FloraHolland employer's share of other social security charges. In 2024, the employer's share of other social charges (excluding was pension contribution) for P. Bootsma €15 thousand, D. van Mechelen € 16 thousand (2023: €15 thousand), S. van Schilfgaarde €16 thousand (2023: €15 thousand). The fixed part of the remuneration for both members of the Executive Board is up made of the gross annual salary, vacation allowance and pension compensation.

Average number of employees and FTEs

	2024	2023	2024	2023
	Average number of employees	Average number of employees	Average number of FTEs	Average number of FTEs
Operations	2,148	2,139	1,391	1,385
Commercial	410	423	356	367
Support services	409	400	377	374
Royal FloraHolland	2,967	2,962	2,124	2,126
Group companies*	521	565	443	469
	3,488	3,527	2,567	2,595

21) Depreciation, amortisation and impairments

	2024	2023
Intangible fixed assets	19,389	17,002
Tangible fixed assets	59,807	59,798
Financial fixed assets	362	-
Correction of depreciation prior years	-	-2,598
	79,558	74,202

22) Other operating expenses

The costs charged to the financial year of the external auditor and the audit firm and the entire network to which this audit firm belongs are as follows for the group:

Audit fees

	2024	2023	2024	2023	2024	2023
	PwC Netherlands	PwC Netherlands	PwC Other network	PwC Other network	Total	Total
Audit of financial statements	514	495	12	12	526	507
Other audit engagements	59	21	-	-	59	21
Consulting services in the tax field	14	-	52	51	66	51
	587	516	64	63	651	579

Said fees for examination of the financial statements are based on the total fees for examination of the financial statements regardless of whether the work has already been performed during the fiscal year.

* Including 46 employees (43 FTEs) working abroad.

23) Corporate income tax

	2024	2023
On account of result for fiscal year	5,439	-850
Correction previous years	-157	191
Movement in deferred tax	-1,089	5,320
	4,193	4,661

Tax burden

	2024	2023
Applicable rate	25.8%	25.8%
Effective tax	41.7%	21.6%

The numerical reconciliation between the applicable and effective tax rate is as follows.

Operating profit before tax	7,058	
Profi/loss from participating interests	2,994	
Result before tax	10,052	
Corporate income tax on applicable rate	2,593	25,8%
Unrecognized losses Floriway	1,657	16,5%
Result of participation	-818	-8,1%
Foreign tax and CAAC	598	6,0%
Non-deductible amounts	333	3,3%
Other adjustments	-170	-1,7%
Corporate income tax on effective rate	4,193	41,7%

The difference between the effective tax rate and the applicable rate in 2024 is mainly due to unrecognized losses of Floriway, earnings of associates and corporate income tax of foreign associates and CAAC.

24) Events after balance sheet date

On January 2, 2025 a plot of land concerning the FloraCampus in Honselersdijk was sold by Royal FloraHolland to the Municipality of Westland for an amount of €17.9 million (excluding VAT). In addition, the Leasehold Right on this land has been bought off by the Municipality of Westland for €2.9 million.

Company balance sheet as of December 31, 2024

(After proposed profit appropriation (amounts x€ 1,000))

Assets

	Notes	2024	2023
Fixed assets			
Intangible fixed assets	(25)	57,179	51,764
Tangible fixed assets	(26)		
Land		108,372	109,088
Buildings		274,316	277,546
Equipment, packaging and logistic resources		88,682	80,648
Other fixed operating assets		15,047	17,294
Not used for business operations		86,907	87,214
		573,324	571,790
Financial fixed assets	(27)		
Participations in group companies		11,396	5,354
Other receivables		9,340	172
Deferred taxes		14,533	13,425
		35,269	18,951
Current assets			
Inventories		623	674
Receivables			
Trade receivables	(28)	53,722	45,990
Receivables from group companies		5,366	6,260
Receivables from participating interests		2,921	2,101
Other receivables, prepaid expenses and accrued income	(29)	14,080	20,619
		76,089	74,970
Cash and cash equivalents		8,019	2,759
Total		750,503	720,908

Liabilities

	Notes	2024	2023
Equity	(30)		
General reserve		78,517	100,267*
Legal entities reserve		2,634	2,634
'A' depositary receipts		47,125	47,762
Statutory reserve		59,573	53,218
Result for the financial year		5,859	-16,952*
		193,708	186,929
Provisions	(31)		
Restructuring provision		4,044	1,249
Other provisions		4,539	4,341
		8,583	5,590
Non-current liabilities			
'B' depositary receipts *	(8)	189,715	199,557
'C' depositary receipts *	(9)	-	44
'D' depositary receipts *	(10)	2,693	3,034
		192,408	202,635
Current liabilities			
Liabilities to credit institutions		15,927	8,026
Debts to members/non-members	(13)	89,777	71,803
Repayment obligation to members/non-members	(13)	35,029	44,599
Liabilities to group companies		3,937	57
Accounts payable		25,622	23,588
Refundable deposits	(14)	101,296	102,442
Other liabilities, accrued expenses and deferred income	(32)	84,216	75,239
		355,804	325,754
Total		750,503	720,908

* Adjusted for comparison purposes.

** Subordinated loans. Together with equity these constitute risk-bearing capital. At the end of 2024 risk-bearing capital amounted to € 386.1 million (2023: € 389.6 million).

Company profit and loss account 2024

(amounts x € 1,000)

	2024	2023
Company profit/loss after tax	10,174	-14,813
Profit/loss from participating interests after tax	-4,315	-2,140
Result after tax	5,859	-16,952

Notes to the company balance sheet as of December 31, 2024

(amounts x € 1,000)

Fixed assets

25) Intangible fixed assets

The composition of the book value as of the balance sheet date and the movements are as follows:

	2024	2023
Balance at January 1	51,764	45,019
Movements		
Investments	22,995	21,480
Transfers	-228	221
Amortisation	-17,352	-15,514
Disposals	-	-
Corrections	-	2,598
Impairment losses	-	-2,042
Balance at December 31	57,179	51,764
Cumulative purchase value	134,437	111,744
Cumulative amortisation and impairment losses	-77,258	-59,980
Balance at December 31	57,179	51,764
Development costs	2024	
Balance at January 1	51,764	
Movements		
Capitalisation of development costs	22,767	
Amortisation	-17,352	
Disposals	-	
Corrections	-	
Impairment losses	-	
Balance at December 31	57,179	

Investments relate to the development of new software and the further development of existing software. Accelerated depreciation will be applied during 2024 and 2025 to software of the current auction systems that cannot be used for digital auctioning that will be from 2026.

26) Tangible fixed assets

The composition of the book value as of the balance sheet date and the movements are as follows:

	Balance at January 1, 2023	Investments	Transfers	Depreciation and impairment losses	Disposals	Balance at December 31, 2023
Land						
Land	75,623	1,244	98	-	-191	76,774
Site facilities	30,446	1,779	3,460	-3,371	-	32,314
Subtotals	106,069	3,023	3,558	-3,371	-191	109,088
Buildings	283,164	15,607	10,548	-31,773	-	277,546
Equipment, packaging and logistic resources						
Equipment	30,025	9,769	3,200	-5,233	-	37,761
Packaging and resources used in logistic processes	42,151	6,850	2,400	-8,514	-	42,887
Subtotals	72,176	16,619	5,600	-13,747	-	80,648
Other fixed operating assets	23,335	1,091	743	-7,875	-	17,294
Not used for business operations						
Land and buildings	62,900	-	1	-	-	62,901
Operating assets under development	26,132	18,853	-20,672	-	-	24,313
Subtotals	89,031	18,853	-20,671	-	-	87,214
Totals 2023	573,775	55,193	-222	-56,766	-191	571,790

	Balance at January 1, 2024	Investments	Transfers	Depreciation and impairment losses	Disposals	Balance at December 31, 2024
Land						
Land	76,774	182	1	-	-1,334	75,623
Site facilities	32,314	2,910	1,122	-3,597	-	32,749
Subtotals	109,088	3,092	1,123	-3,597	-1,334	108,372
Buildings	277,546	18,449	10,465	-32,144	-	274,316
Equipment, packaging and logistic resources						
Equipment	37,761	8,465	4,384	-6,314	-	44,296
Packaging and resources used in logistic processes	42,887	9,542	610	-8,653	-	44,386
Subtotals	80,648	18,007	4,994	-14,967	-	88,682
Other fixed operating assets	17,294	2,605	1,673	-6,525	-	15,047
Not used for business operations						
Land and buildings	62,901	49	35	-	-	62,985
Operating assets under development	24,313	17,671	-18,062	-	-	23,922
Subtotals	87,214	17,720	-18,027	-	-	86,907
Totals 2024	571,790	59,873	228	-57,233	-1,334	573,324

	Land	Buildings	Equipment, packaging and logistic resources	Other fixed operating assets	Not used for business operations	2024	2023
Cumulative purchase value	157,994	1,045,871	354,618	177,737	125,778	1,861,998	1,803,231
Cumulative depreciation and impairment losses	-49,622	-771,555	-265,936	-162,690	-38,871	-1,288,674	-1,231,441
Balance at December 31	108,372	274,316	88,682	15,047	86,907	573,324	571,790

The land not serving the business concerns free land for sale to trading parties and for sale to third parties. The free land for sale to trading parties is held for future sales to Royal FloraHolland customers in support of the central marketplace function.

The fair value of land and buildings that are not used for business operations amounts to € 138.8 million based on the most recent valuation reports from 2023 (2023: € 138.8 million).

The investments that will be put into use during the year have been allocated to the appropriate asset category through the 'transfers' column. Investments that have been taken into use in 2024 include, among others, the cold storage facility in Aalsmeer, the diesel motor emission (DME) clearance at the Aalsmeer location, renovation of the cold storage facility in Naaldwijk, replacement of components in the overhead conveyor in Aalsmeer, replacement of the asphalt slope on the parking deck in Aalsmeer, replacement of pumps and shut-off valves in the heat distribution network in Aalsmeer, replacement of batteries in electric vehicles, replacement of high-voltage switches in Naaldwijk, acquisition of step and distribution tractors, refurbishment of air treatment installations in Naaldwijk and replacement of couplings for T-beams on the parking deck in Naaldwijk.

Investments not yet in use by the end of 2024 include relocating transformer station Rijnsburg, replacing fluorescent lighting with LED all locations, replacing feeder docks Naaldwijk, asbestos decontamination of roofs Rijnsburg, replacing doors docks Rijnsburg and building cold storage cell Aalsmeer.

The book value of land includes an amount of € 5.2 million over which Royal FloraHolland has no legal ownership. This concerns the land leased by Royal FloraHolland on a long lease to Plant Port 2 B.V. and on which the Green Horti Center is located.

Part of the commercial building at Legmeerdijk 313 in Aalsmeer is mortgaged in favour of the banking consortium consisting of ABN AMRO Bank, Rabobank and ING Bank.

Tangible fixed assets are depreciated based on the estimated economic lifespan.

27) Financial fixed assets

The composition of the book value as of the balance sheet date and the movements are as follows:

	Participating interests in group companies	Other receivables	Deferred taxes	2024	2023
Balance at January 1	5,354	172	13,425	18,951	16,453
Movements					
Profit/loss participating interests	-4,315	-	-	-4,315	-2,140
Liquidation participating interests	-	-	-	-	-
Dividend distribution	-	-	-	-	-583
Other direct changes in equity	8,919	-	-	8,919	260
Loans granted	-	8,000	-	8,000	1,568
Repayments	-	-104	-	-104	-
Additions	-	1,340	1,089	2,429	5,320
Reclassifications	-	-	19	19	-1,927
Other movements	1,438	-68	-	1,370	-
Balance at December 31	11,396	9,340	14,533	35,269	18,951
				2024	2023
Sivepo C.V.				523	48
RFH Holding B.V.				10,873	5,306
Totals				11,396	5,354

Participations in group companies

Royal FloraHolland holds 100% of the shares in intermediate holding RFH Holding B.V., which in turn holds 100% of the shares in RFH Deelnemingen Holding B.V., RFH Diensten Holding B.V., RFH Vastgoed Holding B.V. and RFH Logistics Holding B.V. The other (minority) holdings are each subject to the intermediate holding company designated for the division to which the relevant (minority) holding belongs. In addition, Royal FloraHolland has an indirect 100% interest in Sierteelt Verpakkingspool CV.

In 2024, Royal FloraHolland made a share premium payment of € 8.8 million in RFH Holding B.V., this is included other direct equity movements.

For an overview of all legal entities, [see page 121](#).

Other receivables

In 2024, Royal FloraHolland extended a current account credit to Floriway Logistics B.V. for € 8.0 million. In addition, interest due for the year 2024 of € 366 thousand was added to the current account credit.

In 2024, € 974 thousand in financing costs related to the concluded credit facility has been paid in advance for the years 2026-2031.

The remaining loan of € 104 thousand to a former member has been fully repaid in 2024.

Deferred taxes

Deferred tax assets and liabilities within the fiscal unit are presented netted. As of December 31, 2024, this results in a deferred tax asset. The deferred tax position originates, on the one hand, in deferred tax assets resulting from (1) differences between the commercial and fiscal valuation of tangible fixed assets due to tax depreciation limitation on buildings, (2) provision CCs not recognized for tax purposes and (3) difference between commercial and tax valuation of anniversary provision.

On the other hand, the deferred tax position is determined by deferred tax liabilities resulting from (1) differences between the commercial and fiscal valuation of property, plant and equipment due to maintenance expenditures that are recognized directly as costs in the income statement for tax purposes and capitalized as investments on the sheet for commercial, (2) differences between the commercial and fiscal valuation of property, plant and equipment related to reinvestment reserves used past in the and (3) the fiscal provision for major maintenance created in the past, which is not recognized commercially.

The deferred tax provision was formed based on the current and future corporate tax rate of 25.8%. The provision has a term longer than one year.

Related party transactions

All transactions with group companies and associates were conducted at arms' length. Related parties of Royal FloraHolland can be distinguished into participating interests and other related parties.

Other related parties are: Floriculture Products Trade Association, Floriculture Sustainability Initiative (FSI), National Cooperative Council (NCR), Staff Association Flower Auction FloraHolland, Flower Bureau Holland Foundation (BBH), The Green City, Foundation FloraXchange, Third-Party Funds FoundationFloricode, Foundation FloraHolland Charities, Greenport Aalsmeer Foundation, Greenport Westland Foundation, Foundation Oostland, Greenports Netherlands Foundation, Restructuring and Foundation Development of Horticulture Sector (HOT), Hortipoint Foundation, Innovation Glasshouse Horticulture Foundation (SIGN), Kom in de Kas, FoundationMPS, FoundationFloriWorld, Bondholders Foundation FloraHolland Naaldwijk, Seniors' Club Foundation, Horticultural Entrepreneur Prize, Foundation Business Park Location East, Association Flower Auction Association (VBN), Trade Parc Westland, Owners Association VBA - Zuid Terrein, Owners AssociationSierteelt Verpakkingspool CV, members of the Supervisory Board and the Executive Board.

The nature of the main transactions with related parties concerns financing, buyer and grower's taxes and payroll and general expenses. In addition, parties may qualify as related parties because Royal FloraHolland employees fulfill a management role within the related party .from their position within Royal FloraHolland

Current Assets

Receivables

28) Trade receivables

All receivables included under trade receivables are due within 1 year.

29) Other receivables, prepaid expenses and accrued income

	2024	2023
Taxes and social security contributions	907	9,462
Prepaid costs	4,673	5,584
Other receivables	561	321
Prepayments and accrued income	7,939	5,252
Balance at December 31	14,080	20,619

All other receivables and accruals have a maturity of less than 1 year.

The decrease in taxes and social security contributions is mainly due to refunds from the tax authorities regarding corporate income tax for the years 2022 and 2023 totalling € 9.4 million. The year-end balance of € 0.9 million consists of sales tax receivable in the Netherlands and Belgium.

The prepaid expenses item of € 4.7 million consists of a large number of various prepaid invoices that were paid in fiscal year 2024 but relate to fiscal year 2025.

Accrued income consists of € 7.9 million in a large number of miscellaneous items relating to revenues yet to be invoiced and costs yet to be recharged.

30) Equity

General reserve	2024	2023
Balance as at 1 January	100,267	110,172*
Movements		
Movement in statutory reserve	-6,239	-5,467
Movement in equity	1,441	34
Transfer of profit/loss from previous financial year	-16,952	-4,472*
Balance at December 31	78,517	100,267*

The equity movement mainly concerns a release of the liability of €1.6 million regarding an earn-out arrangement entered into between RFH Logistics and former shareholders of one of the acquired transport companies at the time of the acquisition of Floriway in 2021.

Legal entities reserve

The legal entities reserve referred to in article 35 of the Articles of Association, which as of December 31, 2024 €2.6 million (2023: €2.6 million) was formed in previous years from the amount settled with member legal entities corporate tax disadvantage arising from the fact that the refund of auction commission to member legal entities is not tax deductible. No change during the fiscal year.

'A' depositary receipts	2024	2023
Balance as at 1 January	47,762	48,630
Movements		
Capital contribution credits	1,311	1,383
Addition of allocated profit	-	-
Additional payouts during current financial year	-55	-181
Payouts in next financial year, recognised under current liabilities	-1,893	-2,070
Balance at December 31	47,125	47,762

In Article 40 'Transitional Provisions 2016' section 1, it is stipulated that the balance existing as of December 31, 2016, on a member's participatory account will be used to fund their 'A' depositary receipts. To the extent that the balance exceeds € 20,000, the excess of their balance will be added to the 'final balance'. The participatory credits as of December 31, 2016, consisted of the credits from 1997 to 2015 from Bloemenveiling Aalsmeer and credits from 1997 to 2015 from FloraHolland-old.

In article 17 (3)(e) of the articles of association, it is stipulated that the amount credited to 'A' depositary receipts is only payable after the approval of the annual accounts for the third fiscal year following the year in which the membership of the member ended, and only on the condition that the general meeting, upon proposal from the management, resolves to make the 'A' depositary receipts that qualify for payment under these articles payable.

* Adjusted for comparison purposes.

Statutory reserve	2024	2023
Balance at January 1	53,218	47,983
Movements		
Transfer from general reserve - translation differences	-115	-232
Transfer from general reserve - participating interests	1,055	-1,278
Transfer from general reserve - intangible fixed assets	5,415	6,744
Balance at December 31	59,573	53,218

The statutory reserve was created for translation differences on foreign currency participations (€450 thousand), retained earnings of participations (€2.7 million) and development costs recognized under intangible fixed assets (€57.2 million).

Changes in the value of participations due to conversion of invested capital and earnings from foreign currencies to the euro are accounted for in the translation reserve. The reserve for participations is formed for participations valued at net asset value, but in which Royal FloraHolland has no controlling interest. This statutory reserve for participating interests is equal to the change in the value of the participating interests based on the share in the result of the participating interests less dividends. For paid intangible fixed assets, the reserve has been formed for capitalized software, as is this to be regarded as development costs. This statutory reserve for intangible fixed assets is equal to historical cost less amortization.

31) Provisions

	2024	2023
Balance at January 1	5,590	4,714
Movements		
Additions	4,696	1,074
Withdrawals	-1,703	-197
Balance at December 31	8,583	5,590

Restructuring provisions were formed at year-end 2024 in respect of the Fit for Future program (€ 3.4 million) and for the Eelde location (€ 0.2). In addition, part of the restructuring provision remains for the Flower Handling Services activities terminated in 2023 (€ 0.4).

The other provisions were formed for future anniversary benefits (€3.7 million), for long-term illness (€0.5 million) and missing CC containers (€0.4).

The provisions predominantly have terms longer than 1 year.

Current liabilities

32) Other liabilities, accrued expenses and deferred income

	2024	2023
Taxes and social security contributions	9,847	7,320
Annual leave and holiday allowance	16,988	15,513
Interest expense payable to banks and on members' loans	5,700	2,238
Other liabilities	51,681	50,168
Balance at December 31	84,216	75,239

All payables and accruals have maturities of less than one year.

The debt from taxes and social security contributions consists of €5.6 million in pension contributions payable, € 3.7 million in payroll tax payable and €0.1 million in German sales tax payable. The reservation for annual leave and holiday allowance is increased, primarily due to a reservation for additional and reduced hours of logistics employees and an increase in from the position as of Dec. 31, 2023 hourly wages.

The interest expense on banks and member loans relates to the interest yet to be paid on the member loans as of December 31, 2024 of € 5.7 million.

Other payables consist mainly of (1) a large number of invoices and amounts yet to be received of€ 30.4 million (2023: € 34.8 million), (2) sureties received from buyers of€ 14.0 million (2023:€ 13.1 million), (3) the levies yet to be remitted to the Flower Bureau Holland of€ 4.7 million (2023: € 4.0) and (4) liabilities from funds held in trust by Royal FloraHolland from various FPCs and PSPs of€ 1.6 million (2023: €1.6 million).

33) Financial instruments

Please refer to the consolidated financial statements for notes on financial instruments.

34) Off-balance sheet assets, obligations and arrangements

	December 31, 2024				December 31, 2023			
	< 1 year	2-5 year	> 5 year	Total	< 1 year	2-5 years	> 5 years	Total
Investment obligations	31,697	61,720	5,140	98,557	28,293	-	-	28,293
Operating lease obligations	1,911	3,905	2,570	8,386	2,080	4,440	3,084	9,603
Lease obligations	417	-	-	417	395	-	-	395
Guarantees	1,589	-	-	1,589	1,673	-	-	1,673
Total	35,614	65,625	7,710	108,949	32,440	4,440	3,084	39,964

Investment commitments as of December 31, 2024 have increased compared to the position as of December 31, 2023. This increase is primarily due to the multi-year obligations from the contract concluded with Heijmans in 2024. The decrease in rental obligations as of December 31, 2024, compared to the position as of December 31, 2023, is due to the expiration of the leaseback obligation. Operating lease commitments have decreased by € 1.5 million, while guarantees have increased by € 1.5 million.

Royal FloraHolland has issued bank guarantees as of December 31, 2024 in the amount of €1.6 million (2023: € 1.6 million).

In addition, several more claims have been filed against Royal FloraHolland and litigation is pending. (Former) employees at the Aalsmeer location may have been exposed to asbestos. As of today, no concrete cases of exposure are known and no claims have been filed to date. Because the conditions are not met, either no provision for possible claims has been foreseen.

All claims are disputed. Legal advice on the claims and disputes has been sought by Royal FloraHolland where necessary and relevant. However, the outcome of negotiations and/or proceedings cannot be predicted with certainty.

Royal FloraHolland has issued a comfort letter to Floriway Logistics B.V. and its subsidiaries. This comfort letter relates to assurances regarding liquidity and financing.

Group tax entity

For corporate income tax purposes, Coöperatie Royal FloraHolland U.A. will form a fiscal unity 2024 with its subsidiaries RFH Holding B.V., RFH Vastgoed Holding B.V., Siervast B.V., RFH Logistics Holding B.V., RFH Services Holding B.V., Sierteelt Verpakkings Pool B.V., Flowerdome B.V., FloraHolland Flower Combination B.V., RFH Deelnemingen Holding B.V.

Income tax payable is allocated between the entities to which the position relates.

Furthermore, the following participations established in the Netherlands are independently liable for tax corporate income : CAAC B.V., Plantion Holding B.V., FloraXchange B.V. (parent company of a fiscal unity for corporate income tax with FloraXchange Services B.V. as a subsidiary), Trias Westland B.V., Plant Port1 B.V. and Floriworld B.V.

This also applies to Floriway Logistics B.V. which forms a fiscal entity for corporate income tax purposes with Floriway Transport B.V., Floriway B.V. and Carrosserie Center Westland B.V. Finally, Hoza B.V. forms a fiscal entity for corporate income tax purposes with P.M. van Zaal Transport B.V.

For , sales tax purposes Coöperatie Royal FloraHolland U.A. forms a fiscal unity with its subsidiaries RFH Diensten Holding B.V., FloraHolland Flower Combination B.V., Flowerdome B.V. and Siervast B.V. Each of the subsidiaries belonging to entities belonging to the fiscal unity is jointly and severally liable for the debts of the entire fiscal unity. Floriway Logistics B.V. is currently self-employed for sales tax purposes, as are a number of logistics subsidiaries held by it.

Aalsmeer, 19 March 2025

Pieter Bootsma

CEO Royal FloraHolland

David van Mechelen

CFO Royal FloraHolland

Overview of legal entities

Royal FloraHolland has a full or partial (in)direct interest in the following companies:

	Statutory seat	2024 – Interest %	2023 – Interest %		Statutory seat	2024 – Interest %	2023 – Interest %
RFH Holding B.V.*	Aalsmeer	100	100	RFH Deelnemingen Holding B.V.*	Naaldwijk	100	100
RFH Diensten Holding B.V.*	Naaldwijk	100	100	Plantion Holding B.V.	Ede	35	35
Servi FloraHolland 2002 SL*	Barcelona, Spanje	100	100	Veiling Rhein Maas GmbH & Co.KG	Straelen, Duitsland	25	25
FloraHolland Flower Combination B.V.*	Naaldwijk	100	100	Veiling Rhein Maas GmbH	Straelen, Duitsland	100	100
FH Consultancy Services Plc.*	Addis Abeba, Ethiopië	50	50	Sivepo C.V.*	Honselersdijk	100	100
FH Services Colombia Ltda.*	Bogota, Colombia	50	50	RFH Logistics Holding B.V. *	Aalsmeer	100	100
Royal FloraHolland Kenya Ltd.*	Nairobi, Kenia	1	1	Floriway Logistics B.V. *	Aalsmeer	100	85
Sierteelt Verpakkings Pool B.V.*	Leiden	100	100	Floriway Transport B.V.*	Aalsmeer	100	100
Flowerdome B.V.*	Eelde	100	100	Floriway B.V. *	Aalsmeer	100	100
FH Consultancy Services Plc.*	Addis Abeba, Ethiopië	50	50	Carrosserie Center Westland B.V.*	Honselersdijk	100	100
FH Services Colombia Ltda.*	Bogota, Colombia	50	50	Hoza B.V.*	De Kwakel	100	100
Royal FloraHolland Kenya Ltd.*	Nairobi, Kenia	99	99	P.M. van Zaal Transport B.V.*	De Kwakel	100	100
FH Services Italy S.r.l.*	Milaan, Italië	100	100				
Royal FloraHolland Hong Kong Ltd.*	Hongkong, China	100	100				
Royal FloraHolland Co. Ltd. *	Shanghai, China	100	100				
Trias Westland B.V.	Honselersdijk	10	10				
FloraXchange B.V.*	Honselersdijk	100	100				
FloraXchange Services B.V.*	Honselersdijk	100	100				
Ethiopian Perishable Logistics Plc.	Addis Abeba, Ethiopië	10	10				
Fresh Port Plc.	Addis Abeba, Ethiopië	99	99				
CAAC B.V.*	Aalsmeer	100	100				
Blueroots B.V.	Aalsmeer	50	50				
RFH Vastgoed Holding B.V.*	Naaldwijk	100	100				
Siervast B.V.*	Rijnsburg	100	100				
Plant Port 1 B.V.	Aalsmeer	49.5	49.5				

* Group company is consolidated.

Other data

Provisions of the Articles of Association on the appropriation of the profit or loss

Regarding the appropriation of earnings, Article 34 of the Cooperative's Articles of Association as follows:

Article 34

1. If the operating account shows a profitable balance, the Members' Council, on the proposal of the Executive Board, shall determine whether this balance, or what portion thereof, shall be added to the general reserve and what portion is available or addition to appointed reserve(s) as mentioned below for distribution.
2. The portion of the surplus that is not added to the general reserve shall benefit the members and those whose membership ended in or at the end of the fiscal year in question in proportion to the commission .due from each of them during the year fiscal in question
3. Said amounts shall be distributed , within three (3) months after the adoption of the financial statements provided that if a member has not yet paid up his A Certificate, such amount or part thereof shall be credited to his A Certificate.
4. If shows the operating account a deficit, the deficit is charged to the general reserve.
5. If a deficit cannot be discharged discharged for serious reasons or cannot reasonably be in the ways stated, in the preceding paragraphs the Members' Council shall decide, on the proposal of the Executive Board, in what manner and by what standards the deficit shall be discharged.
6. Pursuant to Article 23 (2) (i) of these Articles of Association, the proposals of the Executive Board pursuant to this require the approval of the Supervisory Board.

Independent auditor's report

To: The members and the Supervisory Board of Royal FloraHolland Cooperative U.A..

Statement on the 2024 financial statements

Our opinion

In our opinion, the financial statements of Royal FloraHolland Cooperative U.A. (“the Cooperative”) present a true and fair view of the size and composition of the Cooperative’s assets and the Group’s assets (the Cooperative together with its subsidiaries) as of December 31, 2024, and of the results for 2024, in accordance with Title 9, Book 2 of the Dutch Civil Code (“BW”).

Our audit procedures

We audited the 2024 financial statements of Royal FloraHolland Cooperative U.A., Aalsmeer, as included in this annual report. The financial statements comprise the consolidated financial statements of the Group and the individual financial statements of the Cooperative. The financial statements consist of: the consolidated and statutory balance sheet as of December 31, 2022;

- The consolidated and individual balance sheets as of December 31, 2024;
- The consolidated and individual profit and loss accounts for 2024; and
- The notes, including a summary of the accounting policies used and other explanatory notes.

The accounting framework used for the preparation of the financial statements is Title 9, Book 2 BW.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including Dutch auditing standards. Our responsibilities under these standards are described in the section “Our responsibilities for the audit of the financial statements”. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of Royal FloraHolland Cooperative U.A., as required by the Act on Supervision of Audit Firms (Wta), the Regulation on the Independence of Auditors in Assurance Engagements (ViO), and other relevant independence regulations in the Netherlands. We have also complied with the Code of Conduct for Auditors (VGBA).

Information to support our opinion

We planned and performed our audit procedures with respect to fraud and going concern considerations in the context of our audit of the financial statements as a whole. The information supporting our opinion, such as our findings and observations regarding the audit approach to fraud risk and going concern, should be viewed in that context and not as separate opinions or conclusions.

Audit Approach to fraud risk

We identified and assessed risks of material misstatement in the financial statements due to fraud. During our audit, we obtained an understanding of:

- Royal FloraHolland Cooperative U.A. and its environment; and
- The components of the internal control system, including the risk assessment process, how management responds to fraud risks and monitors the internal control system, and how the Supervisory Board exercises oversight and the outcomes thereof. (See pages 44, 49, 111, 112 and 113 of the Management Report where management describes its fraud prevention measures.)

With respect to the risk of material misstatement due to fraud, we evaluated the design and implementation of internal control, including management’s fraud policy, the code of conduct, and the whistleblower arrangements, and, to the extent we considered necessary, tested the operating effectiveness of these internal controls. We also sought information from members of management and the Supervisory Board regarding any actual, suspected, or alleged fraud.

This did not reveal any signals suggesting fraud that could result in a material misstatement. As part of our process for identifying fraud risks, we considered risk factors related to fraudulent financial reporting, misappropriation of assets, and bribery and corruption. We assessed whether these factors indicated the presence of fraud risk.

The fraud risks identified and the specific procedures performed are as follows:

Identified fraud risk

Risk of management override of controls

Management is uniquely positioned to commit fraud because it can manipulate accounting records and prepare fraudulent financial statements by overriding internal controls that would otherwise appear effective. Therefore, in all our audits, we pay attention to the risk of management overriding controls in:

- journal entries and other adjustments made during the preparation of the financial statements;
- estimates;
- and significant transactions outside the normal course of business.

Risk of fraudulent financial reporting due to diverse revenue streams

As part of our risk assessment, and assuming that fraud risks exist in revenue recognition, we evaluated which types of revenue or assertions gave rise to a risk of material misstatement due to fraud. The primary revenue streams of Royal FloraHolland Cooperative U.A. have a cooperative character. The diversity of various revenue streams and the non-recurring nature of certain flows mean there is a significant risk of transactions exceeding normal business levels within the various revenue streams.

We incorporated an element of unpredictability into our audit. We also reviewed legal correspondence, and throughout the audit, we remained alert to indications of fraud. We also considered the results of other audit procedures and considered whether any findings indicated fraud or non-compliance.

Monitoring activities and observations

To the extent relevant to our audit, we evaluated the design and implementation of internal controls and tested the operating effectiveness of these controls in the processes for generating and processing journal entries and making estimates. We also paid specific attention to IT access controls and the possibility of overriding segregation of duties. We selected journal entries based on risk criteria and performed specific audit procedures on them, also paying attention to potentially significant transactions outside the normal course of business. We also performed specific audit procedures concerning significant management estimates, including the valuation of financial fixed assets and intangible assets. We paid particular attention to the inherent risk of potential management bias in estimations. Our procedures did not reveal any specific evidence of fraud or suspicion of fraud concerning management override of controls.

To the extent relevant to our audit, we evaluated the design of the internal controls surrounding the recognition of diverse revenue streams and the processes for generating and processing journal entries concerning those revenue streams. We performed data analytics to identify unusual revenue entries in the fiscal year. Subsequently, using specific data-driven audit procedures, we tested the existence of transactions in the various revenue streams, based on payments, price lists, or contracts. We also performed analytical procedures on the remaining revenue streams. Our procedures did not reveal any specific indications of fraud or suspicion of fraud concerning the recognition of the diverse revenue streams. We incorporated an element of unpredictability into our audit. We also reviewed legal correspondence, and throughout the audit, we remained alert to indications of fraud. We also considered the results of other audit procedures and considered whether any findings indicated fraud or non-compliance.

Audit approach to going concern

Management prepared the financial statements on a going concern basis for at least twelve months from the balance sheet date. Our procedures to evaluate management's going concern assessment included:

- Considering whether management's assessment included all relevant information. We did this, among other methods, by questioning management about the key assumptions. Management addressed the financing strategy.
- Determining whether management had identified any events or circumstances that might raise reasonable doubt about the Cooperative's ability to continue as a going concern (hereafter: going concern risks). Management describes the Cooperative's financial risks on [pages 43 and 44](#).
- Evaluating the budgeted operating results and related cash flows for a period of at least twelve months from the balance sheet date, considering industry developments and our knowledge from the audit.
- Analyzing whether current and required financing for the continued operation of the business is secured, including compliance with relevant covenants. Management included its financial position in the annual report, such as the development of solvency on [page 13](#) in "Financial Results and Outlook." Management also included the required covenants in [note 12](#) "Credit Institutions and Liquid Assets" of the consolidated financial statements, and the overview of loans and other obligations in [note 11](#) "Long-Term Bank Loans and Other Liabilities." Management also provided a description of the outlook for 2025 on [page 13](#) in "Financial Results and Outlook."
- Inquiring of management about its knowledge of going concern risks after the period of management's going concern assessment.

Our audit procedures did not uncover any information that contradicts management's assumptions concerning the going concern.

Report on the other information included in the annual report

The annual report includes other information in addition to the financial statements and our audit report. This comprises all information in the annual report other than the financial statements and our audit report thereon.

Based on the work described below, we are of the opinion that the other information:

- Is consistent with the financial statements and free from material misstatements; and
- Includes all information required by Title 9, Book 2 of the BW for the management report and other information

We read the other information and, based on our knowledge gained during the audit of the financial statements or otherwise, considered whether it contained any material misstatements.

Our procedures complied with the requirements of Title 9, Book 2 BW and Dutch Standard 720. These procedures were not as extensive as our audit procedures for the financial statements.

Management is responsible for preparing the other information, including the management report and other information, in accordance with Title 9, Book 2 BW.

Responsibilities for the financial statements and the audit

Responsibilities of management and the Supervisory Board for the financial statements

Management is responsible for:

- The preparation and fair presentation of the financial statements in accordance with Title 9, Book 2 BW; and
- Maintaining such internal control as management considers necessary to enable the preparation of financial statements free from material misstatement due to error or fraud.

When preparing the financial statements, management must assess whether the cooperative is able to continue its operations. Based on the described reporting framework, management must prepare the financial statements based on a going concern assumption, unless management intends to liquidate the cooperative, cease operations, or if cessation is the only realistic alternative. Management must explain any events or circumstances that could cast significant doubt on the cooperative's ability to continue its operations in the financial statements.

The Supervisory Board is responsible for overseeing the cooperative's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report containing our opinion. Reasonable assurance is a high but not absolute level of assurance. Therefore, there is an inherent risk that we may not detect all material misstatements. Misstatements can arise due to fraud or error and are material if reasonably expected to influence the economic decisions that users make based on these financial statements. Materiality affects the nature, timing, and extent of our audit procedures and the evaluation of the impact of identified misstatements on our opinion. A more detailed description of our responsibilities is included in the appendix to our auditor's report.

Rotterdam, 19 maart 2025

PricewaterhouseCoopers Accountants N.V.

drs. P.J. Robben RA

Appendix to our audit report on the 2024 financial statements of Royal FloraHolland Cooperative U.A.

In addition to the information provided in our audit report, this appendix further details our responsibilities for auditing the financial statements and explains what an audit entails.

The auditor's responsibilities for auditing the financial statements

We conducted this audit professionally and critically, applying professional judgment where relevant, in accordance with Dutch auditing standards, ethical rules, and independence requirements. Our audit included:

- Identifying and assessing the risks of material misstatement in the financial statements due to error or fraud: This involved determining and performing audit procedures in response to those risks, and obtaining sufficient and appropriate audit evidence to support our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error. Fraud may involve collusion, forgery, intentional omission of transactions, intentional misrepresentation of facts, or override of internal control.
- Obtaining an understanding of internal control relevant to the audit: This was done to design audit procedures that are appropriate in the circumstances. This work was not intended to provide an opinion on the effectiveness of the cooperative's internal control.
- Evaluating the appropriateness of the accounting policies used and evaluating the reasonableness of management's estimates and disclosures thereof in the financial statements: This involved assessing whether the accounting policies used were appropriate and whether management's estimates were reasonable, and evaluating the disclosures related to those estimates in the financial statements.
- Determining that the going concern assumption used by management is appropriate: This involved determining whether the going concern assumption used by management was appropriate. We also assessed, based on the audit evidence obtained, whether there were any events or circumstances that caused reasonable doubt as to the cooperative's ability to continue its operations. If we conclude that there is a material uncertainty, we are required to draw attention to the relevant related disclosures in the financial statements in our audit report. If the disclosures are inadequate, we must modify our report. Our conclusions are based on the audit evidence obtained up to the date of our audit report. Future events or circumstances may, however, lead to an organization no longer being able to maintain its going concern status.

- Evaluating the presentation, structure, and content of the financial statements and the disclosures included therein, and evaluating whether the financial statements present a true and fair view of the underlying transactions and events: This involved a review of the overall presentation, structure and content of the financial statements and their notes, and whether they presented a fair and accurate picture of the underlying transactions and events.
- and evaluating whether the financial statements present fairly the underlying transactions and events.

We are responsible for planning and performing the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group to form an opinion on the financial statements. We are also responsible for directing, supervising, and reviewing the audit work performed as part of the group audit. We bear full and undivided responsibility for our opinion. We communicate with the Supervisory Board, among other things, about the planned scope and timing of the audit and about the significant findings that emerged from our audit, including any significant internal control deficiencies.

Glossary

Auction regulations

General terms and conditions that apply to every commitment with Royal FloraHolland, insofar as these have not been expressly deviated from in writing.

Biodiversity

Biodiversity is about the variety of plant and animal species, all micro-organisms and the balance between all species on earth. Biodiversity is essential for maintaining ecosystems and thus a healthy living environment.

Board

The director of Royal FloraHolland (of the company and the cooperative) makes proposals to improve business operations in order to maximise the strength of the cooperative, makes decisions and bears responsibility for the implementation of these decisions.

Buyers

The (legal) person registered as such at Royal FloraHolland and therefore able to purchase and pay for products via Royal FloraHolland.

Climate adaptation

Taking measures to adapt to the consequences of climate change, for example by making buildings more resistant to heat.

Climate mitigation

Taking measures to reduce greenhouse gas emissions.

Corporate Sustainability Reporting Directive (CSRD)

European legislation on mandatory sustainability reporting for companies.

Co-operative U.A.: Co-operative Excluded from Liability: the members do not contribute in the event of a deficit of the co-operative.

Double materiality

The basic principle of sustainability reporting according to the CSRD. The company reports on the impact of sustainability factors on the company and on the impact of the company on the chain, people, the environment and society. Dual materiality has two dimensions: impact materiality and financial materiality. A sustainability topic meets the criterion of double materiality if it is material from both or either of the two perspectives.

European Sustainability Reporting Standards

The CSRD is further elaborated in sustainability reporting standards, which are called European Sustainability Reporting Standards (ESRS). The ESRS provide insight into the design and disclosure requirements of the sustainability report.

FloraHolland Product Committees (FPCs)

The purpose of the FPCs is to advise the Executive Board on the implementation of policy regarding the product in question:

- making proposals for additional activities for the product in question and their financing;
- contributing to communication between the members and the cooperative at
- product level in order to strengthen involvement in the cooperative;
- fulfilling a signalling function to the management regarding developments relating to the product in question.

Flower auction

A two-sided platform in which the digital and logistical platforms are closely linked.

(Flower) value chain

A value chain is a series of consecutive steps required to produce the end product, from the initial design to the moment it arrives at the consumer's home. In the floriculture sector, the floriculture value chain runs from the breeders and propagators to the consumer.

Fossil fuels

Fuels extracted from the ground such as petrol, kerosene, diesel and natural gas.

Group companies

Companies in which Royal FloraHolland has a majority interest (and which it consolidates).

Growers

Producers of flowers and plants.

Long-term value creation

The organisation creates value through its actions for the long term (more than five years) and for the various stakeholders involved in the organisation. The board is responsible for the continuity of the company and its affiliated businesses. The board focuses on the long-term value creation of the company and its affiliated businesses and weighs the relevant interests of the stakeholders. The Supervisory Board supervises the board in this matter.

Management Team

The RFH management team supports the statutory directors (CEO and CFO) and acts as an Executive Committee, as described in the governance codes. The MT-RFH collectively makes all important decisions regarding strategy, policy and business operations. The most important business units are represented in the MT-RFH.

Members

Are the owners of the cooperative and can contribute ideas and input on a number of issues. This can be done by participating in member sessions, directing teams, support teams and FPCs.

Members' Council

The Members' Council reflects the total membership. The Members' Council exerts influence on behalf of the members, particularly through its advisory and signalling role to the management. In addition, the Members' Council exercises the legal powers as laid down in the Royal FloraHolland articles of association.

Participations

Companies in which Royal FloraHolland has a minority (in)direct interest.

Stakeholders

Stakeholders. At RFH, the stakeholder groups are: growers, buyers, employees, partners in the floriculture chain and social organisations.

Supervisory Board

Oversees the policy of the board of directors and the general state of affairs within the cooperative and the company. The Supervisory Board also advises the board of directors.

Suppliers

The seller, a natural or legal person who is registered as such or as a 'supplier' at Royal FloraHolland and is therefore able to sell and invoice products through Royal FloraHolland.

Transition plan

Plan to arrive at a new situation.

Value creation model

The value creation model shows which resources (both financial and, for example, raw materials and people) a company uses (input), how the organisation converts that into products and services (output) – in effect, the business model – and what value that adds or destroys for stakeholders and society as a whole (outcome) in the short and long term.

Abbreviations

CBPD&I	Chief Buyer Partnership Development & International
CCOG	Chief Commercial Officer Growers
CEO	Chief Executive Officer
CFO	Chief Finance Officer
CHRO	Chief Human Resources Officer
CIO	Chief Information Officer
COO	Chief Operations Officer
CVO	Chief Value Officer
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CSRD	Corporate Sustainability Reporting Directive
ESG	Environment, Social and Governance
ESRS	European Sustainability Reporting Standards
EHPEA	Ethiopian Horticulture Producer Exporters Association
FloriPEF CR	Product Environmental Footprint Category Rules for Floriculture
FSI	Floriculture Sustainability Initiative
fte	Full time equivalent
FPC	FloraHolland-productcommissie
GlobalG.A.P.	A trademark and set of standards for Good Agricultural Practices Management team Royal FloraHolland
MT-RFH	Management team Royal FloraHolland
MPS	(No longer uses the full meaning of the letters MPS.) The MPS Group facilitates horticultural entrepreneurs worldwide in their ambition to become more sustainable. MPS develops innovative (online) tools and certification schemes for this purpose.
NVWA	Netherlands Food and Consumer Product Safety Authority
Remco	Selection and remuneration committee
rvc	Supervisory Board
SDGs	Sustainable Development Goals
UN	United Nations
VBN	Association of Flower Auctions in the Netherlands
VGB	Association of Wholesalers in Floriculture Products

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