

## SUSTAINABILITY REGULATIONS ROYAL FLORAHOLLAND

version March 2025

See addendum on p8

These sustainability regulations have been established by the Executive Board of Royal FloraHolland and apply to all members and non-member suppliers who trade and settle via the Royal FloraHolland platform.

The applicability of these regulations arises from the relevant Executive Board decisions and is also laid down in the Auction Rules, together with the other supply regulations (such as delivery times, quality, sorting) in Chapter 2, Article 7: registration of sellers and supply of products.

These sustainability regulations are currently only about certification, but in the future they may be expanded to include other aspects of sustainability.

Note: Certification only relates to providing transparency about the certificates obtained. The certificates only confirm that an audit has established that the requirements laid down in the relevant schemes have been met. The certificates are therefore proof of conformity with the standard/requirement, but do not in themselves provide an opinion on a company's sustainability performance. Therefore, no broader sustainability qualification can be derived or awarded on the basis of the certificates obtained.

### CERTIFICATION

These sustainability regulations have been amended on the basis of the Executive Board's decision of 21 March 2025. This version, as published on the Royal FloraHolland website as of 2 April 2025, is the only valid one. As a result, all previously published versions about certification have lapsed.

Below you will find the decision that applies to all members and all non-member suppliers and guest members who trade and settle via the Royal FloraHolland platform.

## RFH Certification Policy Decision

### Principles of the certification policy:

- Certification is a fundamental part of RFH's access policy for both members, guest members and non-member suppliers. The certification policy applies to all growers (members and non-member suppliers and guest members) trading and settling over the RFH platform (direct and clock).
- Certification is already embedded in the sustainability regulations belonging to the Auction Rules and therefore applies to all growers who supply on the RFH platform. A form of certification will also be mandatory for non-growing suppliers of floriculture products (flowers, houseplants and garden plants).
- The Floriculture Sustainability Initiative (FSI<sup>1</sup>)-basket of standards is taken as a starting point. We are transitioning to full FSI compliant certification according to the FSI-basket of standards, where we have so far emphasised environmental certification. This means that in addition to environmental certification, GAP certification and – where and when applicable – social certification<sup>2</sup> are also required.

<sup>1</sup> FSI stands for Floriculture Sustainability Initiative: <https://www.fsi2025.com>

<sup>2</sup> The social certificate is not yet mandatory from FSI for growers from so-called "non-risk countries". However, FSI also intends to include social requirements for the "non-risk countries" (e.g. by means of social certificates). So in due course, social requirements will apply to all growers.

- In the context of FSI, a small-scale grower scheme has been developed, especially intended for small-scale growers in the Global North (mainly Europe and Israel). Growers with a total annual turnover from floriculture products of less than €250,000 can make use of the small-scale grower scheme.
- We align the certification requirement and implementation program with the "Together in the cooperative: Bonding Forms and Membership Packages" project.

### **The certification policy**

- As a condition for being allowed to trade and settle on the RFH digital platform (clock and direct), all members with the packages Direct Focus, Direct Flex, Klok Flex and all non-member suppliers must demonstrably meet the applicable FSI-Basket of Standards certification requirements as of 1/1/26. These FSI certification requirements consist of an Environmental Certificate, a GAP Certificate and – where applicable – a Social Certificate.
- Members who opt in for the Klok Focus package will have more time and can trade on the RFH platform without a certificate until at least 1/7/27. With the availability of the first small-scale grower scheme from MPS in March 2025 and the second small-scale grower scheme from FoodPLUS GmbH (owner of GLOBALG.A.P) in June 2025, the exact effective date for certification in package Klok Focus has been set at 1/7/2027. From this moment on, small-scale member growers in the Klok Focus package will have to meet the applicable FSI-Basket of Standards certification requirements, for example by using one of the 2 small-scale grower schemes offered.
- From 1/7/2027, member growers with the Klok Focus package who do not meet the conditions for small-scale growers must meet the same conditions that apply to the Direct Focus, Direct Flex and Klok Flex packages.
- Small-scale non-member suppliers and small-scale member growers who have opted for the Direct Focus, Direct Flex and Klok Flex packages can also make use of the small-scale grower scheme, provided that they demonstrably meet the conditions set by FSI for small-scale growers (total annual turnover from floriculture products < 250,000 euros) on the basis of their entire business size.
- Small-scale member growers with the Klok Focus package receive (group) support organized by RFH.
- Small-scale Klok Focus growers (member of RFH, total annual turnover from floriculture products < 250,000 euros) will receive a one-off payment of €250 until 1 July 2027 when they are demonstrably FSI-compliant.
- The certification policy also applies guest members from Plantion (see under "Plantion growers who supply RFH as guest members")

### **The small scale grower scheme**

The small-scale grower scheme has been developed in FSI context, especially intended for small-scale growers in the Global North (mainly Europe and Israel).

The availability of the small-scale grower scheme determines the starting date of the certification obligation for the Klok Focus package. FSI announced in March 2025 that a small-scale grower scheme of MPS is available and that a small-scale grower scheme of FoodPLUS GmbH, owner of GLOBALG. A.P., will be available. This means that the exact effective date for certification and enforcement in package Klok Focus will be 1/7/2027.

NB: In anticipation of future developments, a simplified social module has already been included in the small-scale grower scheme. This social module in the small-scale grower scheme is not yet mandatory and will not be audited until further notice. Until that moment a grower who participates in the Small-Scale Grower Scheme will be considered FSI-compliant when both the GAP module and the ENVIRONMENTAL module have been successfully audited according to the criteria of the scheme.

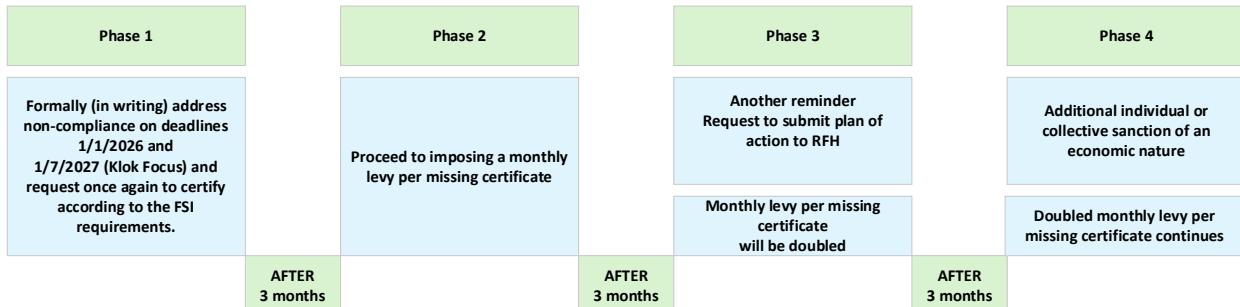
Social certification will also be mandatory in due course for 'non-risk countries' (Global North). This will be elaborated upon in more detail in the context of FSI. After the obligation of social certification in the 'non-risk countries' (Global North) has come into effect, the social module will also be audited in all audits in the context of the small-scale grower scheme and a successful audit of the social module – in addition to the environmental and GAP module – will co-determine FSI-compliance.

## Enforcement and compliance

See addendum – change 1 on p8

- Certification is anchored in the sustainability regulations belonging to the Auction Rules and applies to all member growers, non-member suppliers and guest members (of Plantion) who trade and settle on the RFH platform.
- From 1/1/2026, certification will be enforced with regard to all non-member suppliers and member growers with packages Direct Focus, Direct Flex, Klok Flex.
- For member growers with the Klok Focus package, enforcement will take effect from 1/7/2027.
- The phases for enforcement and compliance in case of not having obtained the required certificates on time:
  1. Formally (in writing) address non-compliance on deadlines 1/1/2026 and 1/7/2027 (Klok Focus) and request once again to certify according to the FSI requirements.
  2. If the certification requirements are still not demonstrably met three months after the non-compliance has been addressed, a monthly levy will be imposed (see also the paragraph below).
  3. If a grower is still not demonstrably FSI-compliant 3 months after starting the levy, RFH will send another reminder and request the grower in question to submit a (standard template) plan of action for certification to RFH, while the monthly levy will be doubled for each missing certificate.
  4. If, after another 3 months - despite reminder and request to submit an action plan - this does not lead to FSI compliance by obtaining the desired certificates, RFH can, as long as the grower does not meet the FSI-certification requirements, impose an **additional** (individual or collective) sanction of an economic nature, while the doubled monthly levy continues. This could include the further increase of levies or other measures of an economic nature.
- RFH's Executive Board reserves the right to take further measures when necessary and trusts that the members and non-member suppliers will choose to obtain the required certificates, in the interest of the cooperative. The Executive Board will monitor progress closely.

The 4 phases of enforcement and compliance



## Levy for not being FSI-compliant

- 3 months after having formally addressed the non-compliance (in writing), monthly levies will be imposed on growers who do not fully or partially meet the requirements set by FSI for the certificates in the 3 scopes (pillars) of the FSI-basket of standards<sup>3</sup>.
- The levy is calculated and imposed monthly for each missing certificate.
- The levy is intended as an incentive to encourage growers to obtain the required certificates.
- The Executive Board reserves the right to change the amount of the levy and the method of levying.
- If, three months after formally addressing the non-compliance (in writing), a grower still has not obtained one or more of the required certificates, a monthly levy of 0.1% per missing certificate over the monthly turnover is imposed.
- If a grower is still not demonstrably FSI-compliant 3 months after the start of the levy, the monthly levy per missing certificate will be doubled to 0.2% per missing certificate over the monthly turnover (see the 4 phases of enforcement above)
- There is a minimum levy of €300 per missing certificate per year.
- As long as the obligation on the social certificate is not yet in force for the "non-risk countries", growers in the non-risk countries must comply with both the ENVIRONMENTAL and the GAP pillar. As soon as the obligation of the social certificate also applies to non-risk countries, the SOCIAL pillar will be added.

The proceeds of the levies will be used to further roll out the certification policy, provide necessary support for members, and promote sustainability in general.

NB: Also when a small-scale grower has not obtained one or more certificates, a monthly levy per missing certificate/pillar is levied on the turnover (in line with the above), at least for the ENVIRONMENTAL pillar and the GAP pillar and as soon as the obligation on the social certificate is in force, also for the SOCIAL pillar. If a grower has obtained the Small-Scale Growers Certificate (based on a successfully completed audit), he/she is immediately FSI compliant based on all FSI pillars that apply at that time.

## Temporarily not certified

Companies whose MPS ABC certificate or GLOBALG.A.P. IDA certificate has been temporarily suspended (so-called MPS NQ status/IDA NC status), for example, due to the grower's own failure to submit digital environmental registration on time, will not be subject to an immediate levy. However, these companies will be called upon to take corrective measures quickly.

A company with an NC/NQ status for more than one quarter receives a levy according to the regular procedure.

<sup>3</sup> The social certificate is not yet mandatory from FSI for growers from so-called "non-risk countries". That is why, until further notice, no levy is imposed in the "non-risk countries" in the absence of a social certificate. However, FSI also intends to include social requirements for the "non-risk countries" (e.g. by means of social certificates). The social module is also not yet mandatory for participants in the Small-Scale Grower Scheme until further notice and it is therefore not yet audited. In due course, social requirements will apply to all growers.

## **Grower associations (and other forms of grower collectives)**

The certification obligation also applies to grower associations and all growers who trade and settle on the RFH platform through a grower association or other form of grower collective. If one of the growers who acts through a growers' association is not or not fully certified, the grower in question and the growers' association (or other form of grower collective) will be contacted.

The Executive board reserves the right to define appropriate (tailor-made) measures for growers' associations (and other forms of growers' collectives) if the circumstances require this based on progressive insight.

## **Other topics; other matters relating to implementation and enforcement**

### **- Show certificate status**

To strengthen transparency, we will continue to explicitly show on the clock and on Floriday which certifications a grower has obtained and continue to show in word or by logo whether the grower is FSI compliant.

The explicit statement "no environmental certificate" will be dropped.

### **- New members, new non-member suppliers and new guest members**

New members and new non-member suppliers (and new guest members) must meet the same certification conditions that apply to members and non-member suppliers with the associated rules.

New members and non-member suppliers (and new guest members) will be asked to provide proof of registration for the mandatory certifications with the recognized scheme holder(s) or certifying bodies from the FSI basket of standards when registering for the RFH membership or to become a guest member or non-member supplier

Not yet certified new members and new non-member suppliers (and new guest members) of RFH will be on the exception list for the first year and will have one year to meet the required certifications. The reason for this is that a grower needs one year from the moment of registration to receiving the necessary certificate(s). After the first year, the same enforcement and compliance measures will apply to new growers as to all growers.

### **- Non-growing suppliers**

RFH wants to work towards a fully FSI-compliant certified supply of floriculture products. However, RFH suppliers also include suppliers who do not grow themselves but supply products that have been produced by others (or are non-living products). To ensure that all products traded on our platform come from certified companies, we ask non-growing suppliers who trade live products (flowers, plants) via the RFH platform to obtain a certificate to trace the origin of products (certification of non-growing suppliers).

In the floriculture sector, there are now two possible traceability certificates for this:

- Florimark TraceCert from MPS
- GLOBALG.A.P. Chain of Custody (CoC).

Both certificates guarantee the tracing of products, but not necessarily that all supplies are actually certified.

This is why, in the long term, we will also make it mandatory for non-growing suppliers to be verifiably transparent about the origin and certification status of the products they offer and to provide the certification status for each batch offered.

The implementation deadline for this is 1/7/2027. This means that non-growing suppliers must be in possession of an MPS-TraceCert or a GLOBALG.A.P Chain of Custody certificate per 1/7/2027 and from this date they must cooperate by providing the origin and certification status of the products offered per batch.

From 1/7/2027, enforcement will take place with regard to non-growing suppliers. The exact method of enforcement/levy will be communicated later.

So-called "hardware traders", who trade non-live product over the RFH platform are excluded from certification.

- **Unsubscribes ("stopper scheme")**

This scheme is intended for growers who want to stop their business within 2 years of the start of their obligation to comply with FSI requirements.

These growers can apply for exemption in writing if they at the same time terminate their membership or supply contract at the latest by the aforementioned end date.

In that case, these growers will receive a temporary personal exemption, which means that they do not have to certify themselves in the last period as a member or non-member supplier at RFH and also do not receive any levies during this agreed period.

After the agreed period, the grower must stop supplying to RFH, and thus also not supply via another member/administration number.

This means that:

- member-growers in the Direct Focus, Direct Flex and Klok Flex packages and non-member suppliers who must be certified by 1 January 2026 can receive a personal temporary exemption until 1-1-2028. After that, they must cease their supply activities and thus also not supply via another member-/administration number.
- Klok Focus growers who must be certified by 1/7/2027 can receive a personal temporary exemption until 1/7/2029. After that, they must cease their supply activities, and thus also not supply via another member-/administration number.

Please note: non-certification based on an exemption is at the applicant's risk. RFH cannot be held liable if trading companies no longer purchase from these companies in the context of 100% certified purchasing.

- **Organic (EU Organic/Skal)**

RFH wants to encourage organic cultivation (with EU Organic/Skal certificate) and sees this way of growing as a positive development. That is why it has been decided to further investigate in the context of FSI whether and how you can also become FSI-compliant with an EU Organic/Skal certificate. As soon as there is a definite answer about this, it will be announced.

Pending that outcome, growers with an EU Organic/Skal certificate can continue to trade on the RFH platform without restrictions.

- **Plantion and Veiling Rhein Maas**

See addendum – change 2 on p8

These sustainability regulations also apply when members/non-members suppliers of Royal FloraHolland deliver to Plantion and/or Veiling Rhein-Maas.

- **Plantion growers who trade as guest members at RFH**

Plantion and RFH are together the two members of the VBN. RFH and Plantion have made agreements on certification and are willing to work together in the VBN context in the field of certification (based on RFH's sustainability regulations) – in the interest of a joint sector transition.

RFH's policy on certification is laid down in these sustainability regulations (version March 2025), which belong to RFH's Auction Rules and therefore apply to all members and suppliers of RFH.

In the spirit of the certification transition and RFH's sustainability regulations, Plantion's small-scale growers who trade at RFH as guest members (who meet the FSI admission criteria of small scale growers i.e. total annual turnover from floriculture production < €250k) will be treated as RFH members with the Klok-Focus package in terms of timing. This allows small-scale Plantion growers to trade with RFH as a guest member without a certificate at least until 1/7/27. As of 1/7/2027, the small-scale Plantion growers who trade at RFH as guest members must be fully FSI-compliant. This means that they will demonstrably - based on a successful audit - have to meet the applicable FSI-Basket of Standards certification requirements, for example by using one of the two small-scale grower schemes offered.

"Larger" Plantion growers who trade at RFH as guest members - who do not meet the FSI definition of small-scale growers - must demonstrably meet the applicable FSI Basket of Standards certification requirements as of 1/1/26. These FSI certification requirements mean an Environmental Certificate, a GAP Certificate and – where and when applicable – a Social Certificate.

RFH and Plantion will also enforce this policy. RFH's approach to compliance and enforcement in the event of not having obtained the required certificates on time also applies to Plantion growers who trade at RFH as guest members.

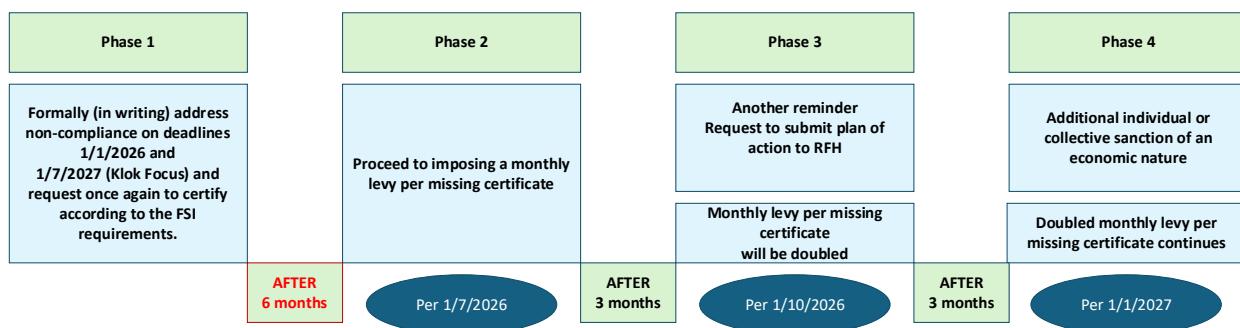
## Addendum to Sustainability Regulations March 2025

This addendum concerns 2 changes:

**Change 1: "Enforcement and compliance" on page 3 regarding the timing of the levy commencement date for the group of growers with a deadline of 1/1/2026**

On November 3, 2025, a change was communicated for the group of growers with a deadline of 1/1/2026 (i.e. all non-members, members with packages Clock Flex, Direct Focus, Direct Flex and where and when applicable guest members). For growers who must be certified by 1/1/2026, the enforcement schedule will be postponed by one quarter. In concrete terms: the certification obligation for this group will take effect on 1/1/2026, the start of the levy, part of the enforcement, will be shifted to 1/7/2026, with a doubling of the levy as of 1/10/2026, followed by additional sanctions of an economic nature as of 1/1/2027.

Changed schedule: "the 4 phases of enforcement" for the group of growers with a deadline of 1/1/2026



**Change 2: "Plantion and Veiling Rhein Maas" (sentence on page 7)**

The current heading "Plantion and Veiling Rhein Maas" + the sentence below on p. 7 is replaced by the following:

**Delivery to third parties**

These sustainability regulations supervise the certification obligation as part of the business operations of members and non-member suppliers. As a company, they are therefore expected to comply with these sustainability regulations in their entirety and at all times. For members, this also means that these regulations also apply to deliveries to third parties.