
DUTCH FLOWER
GROUP

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IMPACT

DOUBLE MATERIALITY ANALYSIS

Material topics DFG

September 2023

IMPACT25

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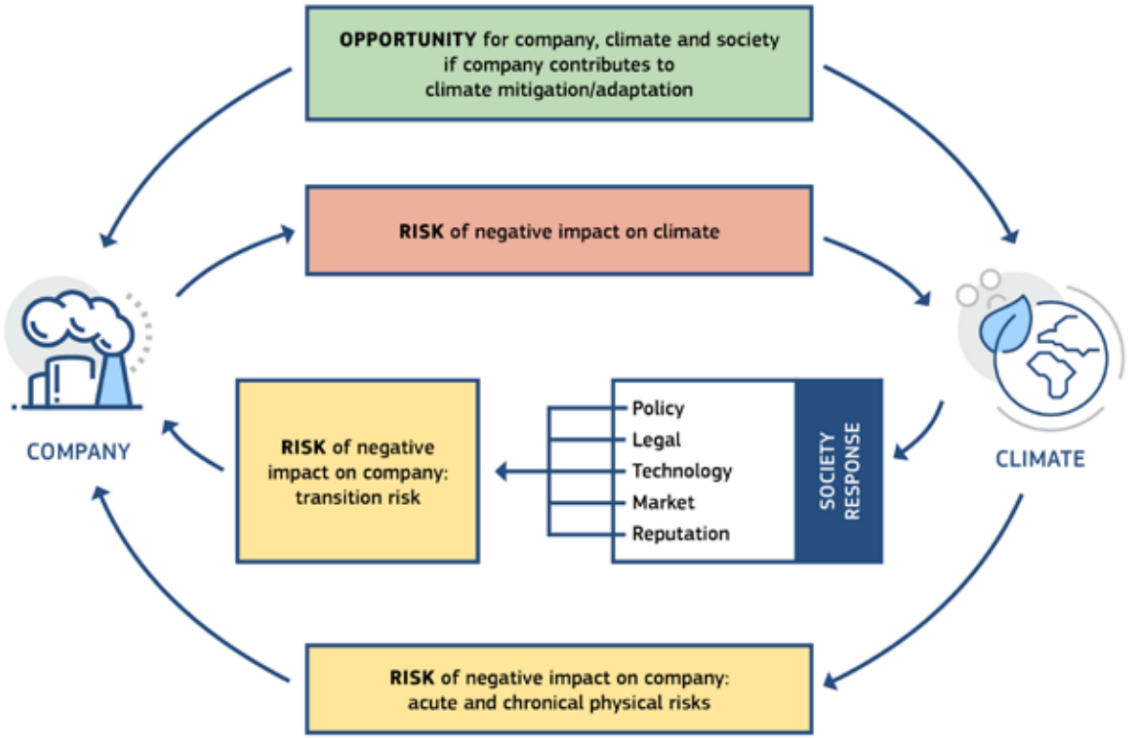
making life colourful

DOUBLE MATERIALITY ANALYSIS – WHY?

Double materiality analysis is a sustainability reporting approach that assesses and discloses the impact of environmental, social, and governance (ESG) factors on both an organization's financial performance and its broader societal and environmental impact.

It considers how ESG issues can affect the company's bottom line (financial materiality) and how they influence various stakeholders and the society (impact materiality). This approach helps organizations provide comprehensive insights into their sustainability performance, risks, and opportunities to their stakeholders.



DOUBLE MATERIALITY ANALYSIS – WHY?

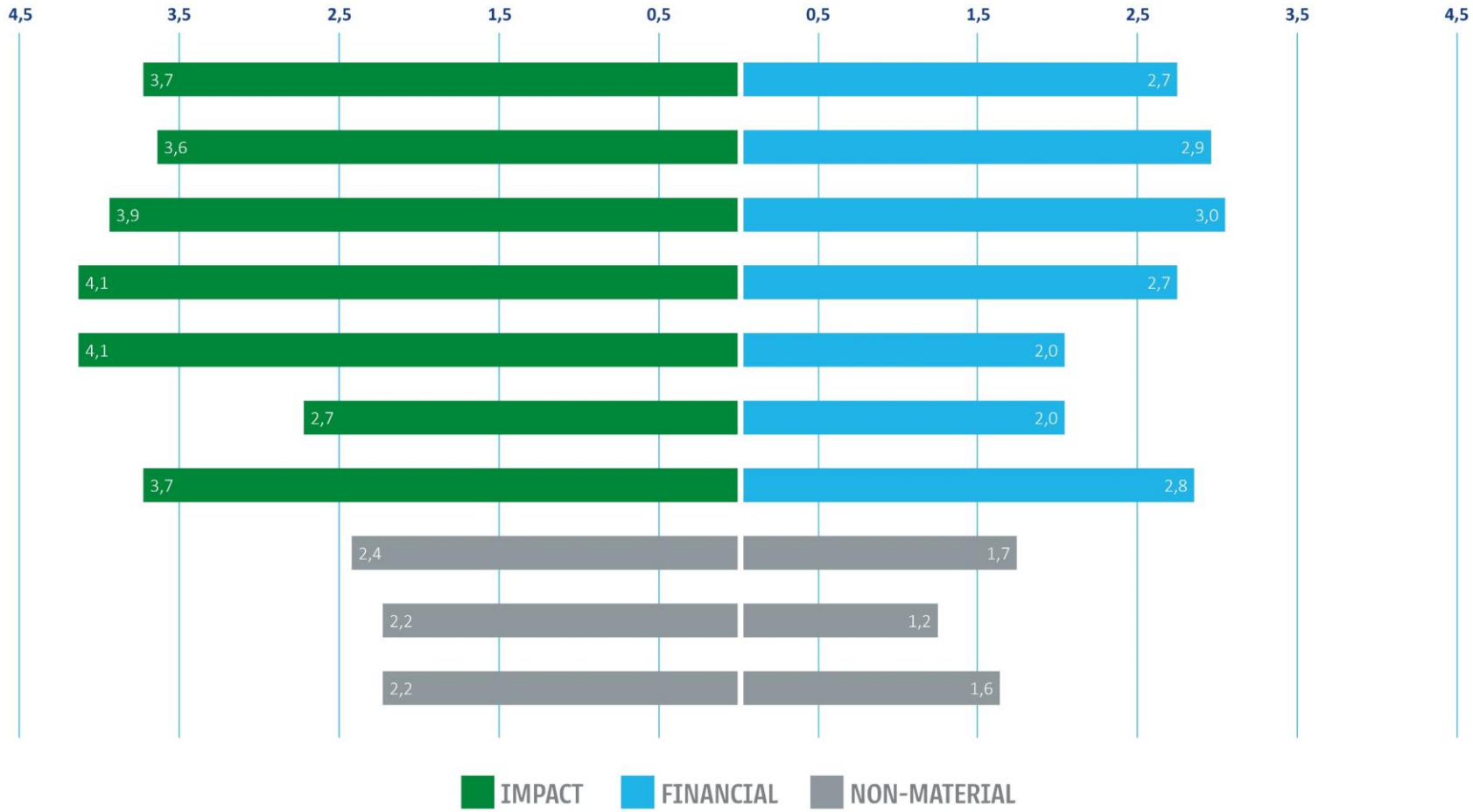
Performing a double materiality analysis is a mandatory part of the of Corporate Sustainability Reporting Directive (CSRD). CSRD is aimed at improving sustainability reporting for large companies. DFG is mandatory to report according to CSRD requirements in 2026 on financial year 2025.

Companies must follow the European Sustainability Reporting Standards (ESRS) when conducting their sustainability reporting. The ESRS is a set of standards that companies must adhere to during their sustainability reporting process to comply with the CSRD.

Dutch Flower Group performed their Double Materiality analysis by sending surveys to their internal stakeholders (employees) and external stakeholders (f.e. suppliers, customers, NGO's, etc.). Based on their feedback we analysed how important they ranked the 10 ESRS topics. See next slide for the result.

DOUBLE MATERIALITY ANALYSIS

ESRS TOPICS



Source: Dutch Flower Group & The Rock Group 2023

ESRS TOPICS EXPLAINED

ESRS TOPIC	SUB-TOPICS	EXPLANATION & EXAMPLES:
Climate change	• Climate change adaptation. • Climate change mitigation. • Energy.	This concerns the impact in the production and distribution process such as the transport and cooling of flowers and plants, the lighting and heating of greenhouses. Incl. energy and fossil fuels used.
Pollution	• Pollution of: air, water, soil, living organisms and food resources. • Substances of concern, and of very high concern.	The excessive use of external inputs for growing flowers and plants by growers (forms of manure, fertilizers, pesticides) leads to a significant impact on the quality of water, air, soil and organisms.
Water and marine resources	• Water withdrawals, consumption, use, and discharges.	Deals with water consumption and water use in growing & trading flowers, extracting water from the ground or using surface water.
Biodiversity and Ecosystems	• Biodiversity loss: Climate change, land-use change, exploitation, invasive alien species, pollution. • Species: population size, and global extinction risk. • Ecosystem condition: land degradation, desertification, soil sealing.	This concerns the impact on species richness and ecosystems and the cross-relationship with pollution. Intensively farmed, uniform horticulture landscapes and unsustainable farming methods used by DFG's growers are a major threat to farmland wildlife. Unsustainable horticulture also leads to environmental impacts such as pollution, soil and land degradation and over-use of freshwater, further impacting biodiversity and ecosystem health.
Circular Economy	• Resources inflows and use. • Resource outflows. • Waste.	Circular Economy designed to minimize waste, make the most efficient use of resources, and promote sustainability. In contrast to the traditional linear economy, which follows a "take, make, dispose" approach, the circular economy seeks to create a closed-loop system where products, materials, and resources are reused, refurbished, remanufactured, and recycled to extend their lifespan and reduce environmental impact.
Own workforce & Workers in the value chain	• Working conditions: secure employment, working time, wages, social dialogue, freedom of association, collective bargaining, work-life balance, health & safety. • Equal treatment: gender equality, equal pay, training & development, inclusion, diversity, harassment & violence. • Other: child labor, forced labor, housing, privacy, water and sanitation.	Quite self-explanatory on topic level, but concerns all topics regarding the people in our companies and value chain, enabling them to improve their livelihoods and make sure they have a proper working and living environment.

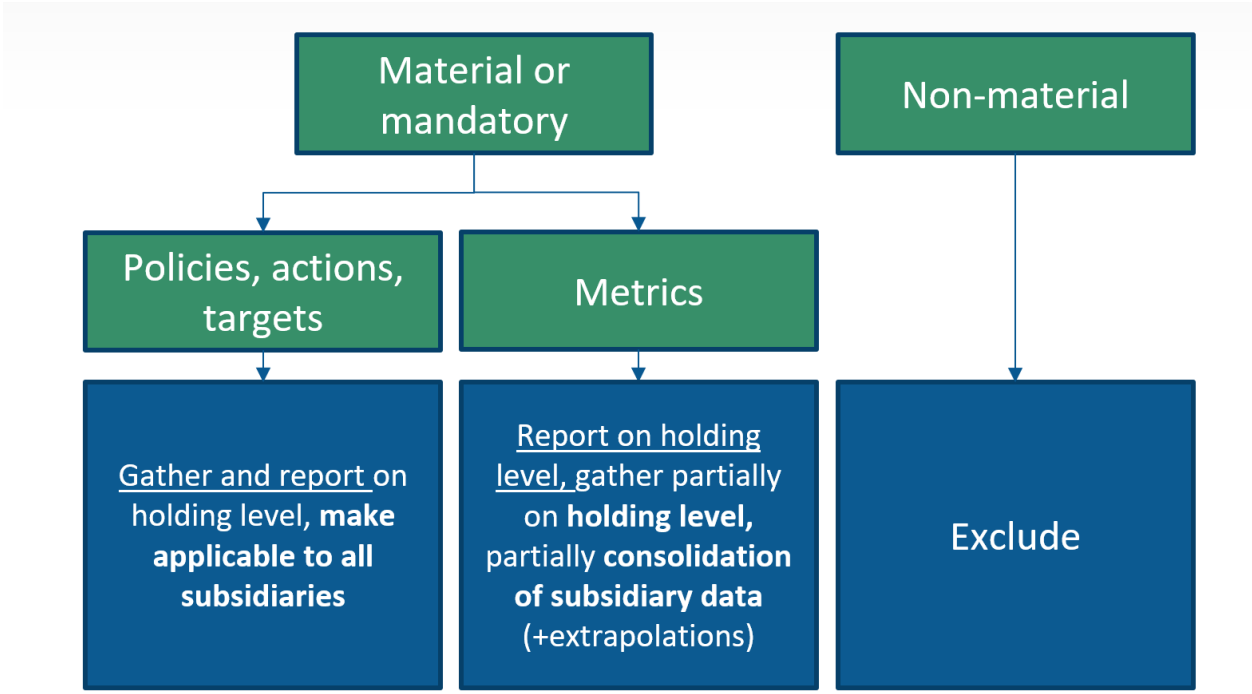
DOUBLE MATERIALITY ANALYSIS – NEXT

Based on the outcome of the double materiality analysis, Dutch Flower Group has to report on specific datapoints for the material topics. Datapoints can be quantitative (e.g., scope 1 emissions in kg CO2), but can also be qualitative (e.g., policies). If these KPI's and/or policies do not exist yet, they have to be set up.

This reporting is done, digitally, on holding level. All in scope subsidiaries from DFG must supply data & information for this.

Data points include:

- **Governance**
- **Strategy**
- **Metrics**
- **Targets**
- **Policies**
- **Actions**



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JOIN US ON OUR JOURNEY

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