MPS: Floradania meeting

18 November 2021

Introduction

- Remco Jansen - Commercial Manager

Agenda

- Introduction
- Assortment MPS for growers
- Developments, Innovations & Partnerships
- Trends & Figures
- FSI
- Market demands
- Q&A

Growers portfolio

MPS portfolio for growers

MPS ABC	MPS GAP	MPS SQ	MPS PRODUCT PROOF
•Scope: environmental record-keeping	•Scope: Good Agricultural Practice	•Scope: ethical principles	•Scope: transparency tool
•MPS-ABC qualification => one year record-keeping	•Benchmark with GLOBALG.A.P. v5.2	•GSCP benchmark in 2015-2016	•No equivalent standard
•Record-keeping of both cultivation and environmental themes	•Implementation of requirements (and costs) before audit	•Implementation of requirements (and costs) before audit	•Checks on authorisation and presence of active substances
•Various checks (office/company audits), sampling, use of logo, etc.	•About 200 requirements for safe, healthy and hygienic production conditions	•About 200 requirements based on ICC2 (ILO)	•At least two to four samples + check on usage record-keeping (crop protection)
•**Focus: environmental topics**	•**Focus: production conditions**	•**Focus: social circumstances**	•**Focus: active substances**
•FSI approved standard	•FSI approved standard	•FSI approved standard	•Transparency tool with no start-up costs
•Continuous improvement process	•Annual audit (+10% unannounced)	•Annual audit	•Continuous improvement process

Developments, Innovations & Partnerships

Developments & Innovations & Partnerships

Main themes:

- Lower our Footprint
- Crop protection agents improvements (increased safety, lower impact / residues) => EII*
- Introduction of Living wages
- Due Dilligence
- Partnerships

*EII=Environmental Impact Indicator

LCA / CO2: MPS & LetsGrow

- https://corporate.walmart.com/newsroom/videos/race-to-zero-retail-campaign

Development

- A uniform method for horticultural products.
- Accepted by all (international) partners in the chain.
- To be used independently of the software and organisation.
- Connection with the European standard development PEFCR.
- Finalised in 2020.

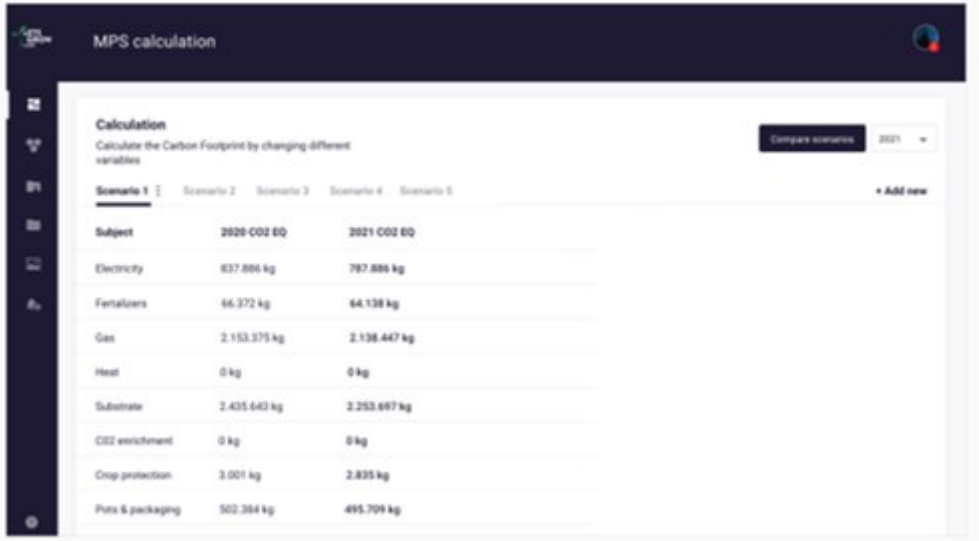
Role MPS

- Development of software tool.
- Focus on climate change.
- First version of tool is currently being tested.
- Commercially available 2022.

LCA & LetsGrow

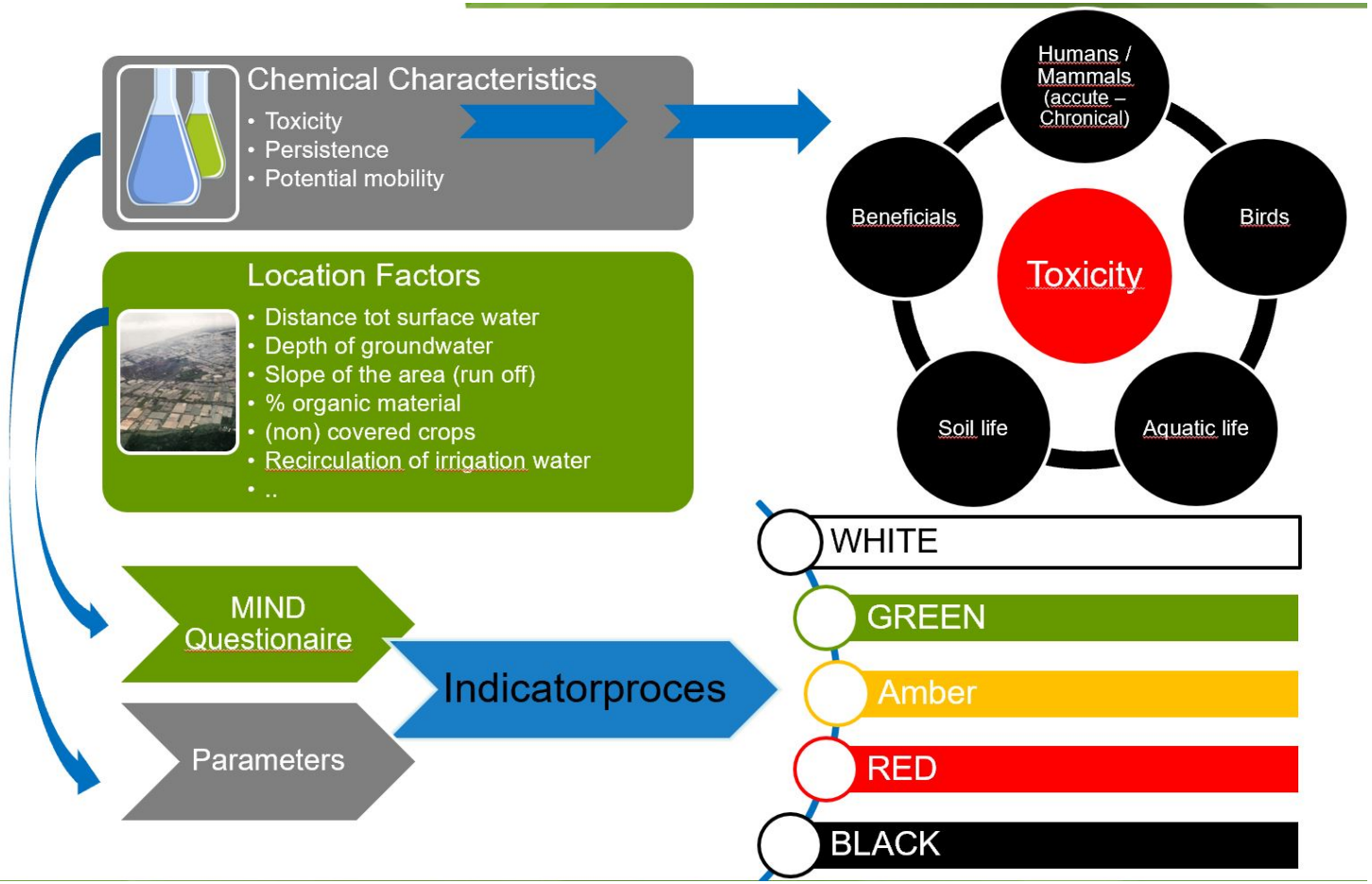
Status:
- Development dashboard and scenario module
- Calculation for pilot companies
- Setting up a joint business model

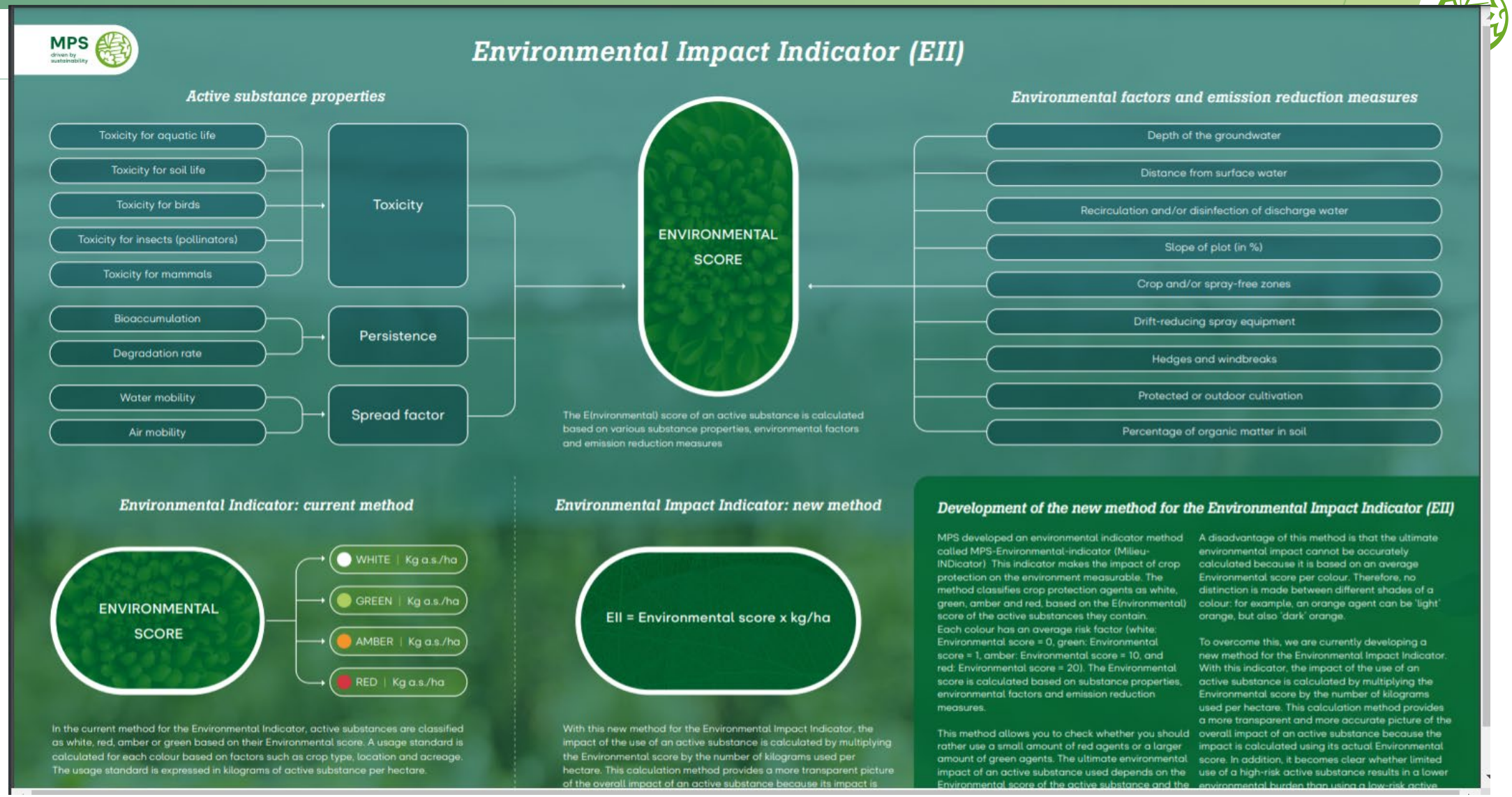
Ambition:
- First product launch during IPM 2022
- Integration MPS record-keeping environment with LetsGrow module
- Further development in scope



Environmental Impact

From Pesticide Indicator (today) towards EII (future)





https://www.my-mps.com/chaintransparency/

https://www.my-mps.com/chaintransparency/files/factsheet_reducing_environmental_impact_2.pdf

MPS & Fairtrade

Combining the best of both worlds

Situation:

- Increasing competition of standard organizations
- HREDD (Human Rights Environmental Due Diligence)
- Living Wage
- Digitization (e.g. digital record-keeping, supply chain management)
- Environmental impact crop protection
- LCA footprint

Goal:

- One-stop shop service that will provide the best solution on continuous sustainable improvement (social and environmental).

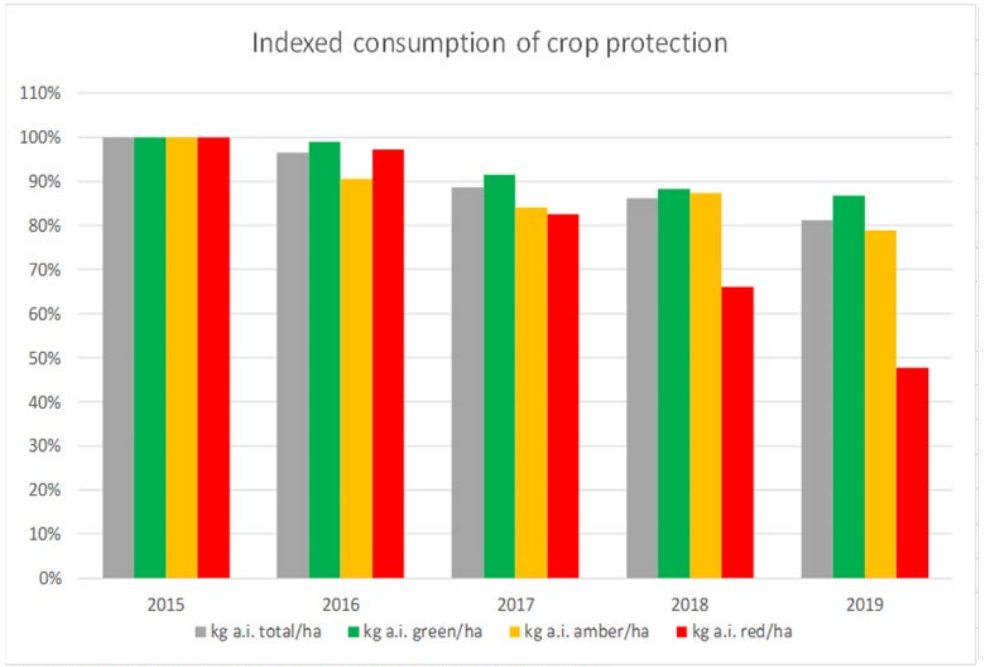
USP:

- Collaboration of key experts/innovators in the main sustainable issues (social and environmental).
- Enabling continuous improvement of producers (dashboard "window of sustainability", with accurate and actual impact data).
- Clear and strong brand(s)/label(s) towards costumers.

Our way forward!

- Phase 1 (end of Dec'21)
  - Project teams: Consultation on market propositions, defining deadlines
  - External communication of collaboration
- Phase 2 (2022)
  - Execute sub-projects (Develop and prepare for implementation)
- Phase 3 (tbd)
  - Implementation in supply chains and consumer markets

Data: the power of validated data!



Graph 1a. Average usage Crop protection (indexed) of 1778 Companies

-19%

-13%

-21%

-52%

14%

12%

5%

52%

The integral approach to crop protection agents has a positive effect; We are seeing a sharp decline, particularly with regard to the high risk agents.

Total

Low risk

Average risk

High risk

2016-2020 Sustainability performance

MPS-ABC trends & figures of Dutch companies*

Resources used by growers within the horticulture sector have an impact on the environment.

Floricultural growers can reduce their environmental impact with the MPS-ABC record-keeping system.

Growers record the use of crop protection agents, fertilisers and energy for MPS-ABC. We make this data transparent and measurable.

Crop protection agents are classified - based on environmental factors, chemical properties and emission reduction measures - into green, amber and red categories, whereby green products have the lowest risk for the environment.

The Environmental Indicator developed by MPS makes the impact of crop protection on the environment measurable.

Crop protection agents (CPA)

Average usage crop protection (Indexed)

▼25%

Environmental impact (CPA)

▼26%

Fertilisers

Decline over the past five years (indexed)

▼12% **▼14%**

Fossil fuels

Fossil energy (GJ/ha) (Indexed)

▼9%

* Based on 871 Dutch companies with the same crop that recorded their usage during five years.

FSI

Ambition

FSI 2025 Ambition

The road ahead

"A transparent and responsible supply chain in 2025"

90% sustainable produced and traded volumes by 2025

Reduction of carbon footprint for selected products

Reduction of the living wage gap for workers

Transparent reporting and due diligence

FSI 2025

What?

Data and Transparency are vital ingredients for future steps

- GAP/Environmental/Social
- Reliable record keeping
- Focus on IPM and lowering environmental impact
- Footprints

→ from Reactive to Pro-active!

How to address these issues as a sector

- creating a common agenda
- joining forces
- engaging with stakeholders
- promote and demonstrate good practices
- communication & storytelling

→ Leading to a responsible and transparent supply chain

Who?

About FSI

Markets

Summary of the main issues –> supply chain

Lack of transparency and traceability

No level playing field (also lobby and representation)

Environmental footprint (carbon, water)

Crop protection agents (residues, black lists, pollinators)

Knowledge gap on solutions

Social issues (availability, migrant workers, wages) & Due Diligence (legislation)

We don’t communicate well, no storytelling (consumer labels?)

Thank you for your attention.

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