



Leaves of Change

Sustainability Report 2024



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Introduction

Welcome to the first edition of our Sustainability Report. For over 200 years, we have been connecting the trails of tea. Two centuries of change, adaptation, and dedication. But to ensure that tea continues to thrive for centuries to come, the supply chain must evolve. The people whose expertise and craftsmanship create this remarkable product—and the natural resources that sustain it—must benefit at every stage.

With this report, we share an honest account of our journey to contribute to a more sustainable tea supply chain. We highlight the steps we are taking, the challenges we face, and the progress we are making. The data presented reflects the situation as of December 31, 2024.

We welcome your feedback and hope you find this report insightful. Enjoy the read!



Want to know more? Visit our website!

Read our weekly Green Market Report with updates from the global tea markets at: <https://vanrees.com/market-info/>

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1.

About Van Rees Group

Van Rees Group is a global tea company that purchases, processes and sells tea worldwide. Our network consists of nine offices and two liaison offices in key tea exporting and importing regions, with our head office in Rotterdam, the Netherlands.

We specialize in sourcing and supplying tea, along with herbal and botanical ingredients, to create enjoyable and healthy infusions.

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Our Heritage

Our story began over 200 years ago, in 1819, when Jan Van Rees founded a tea company. Over the years, we've grown deeply connected to the world of tea, building a legacy rooted in knowledge, dedication, and resilience. Our achievements today are the result of generations working together, sharing expertise, and passing down skills.

In 2010, Van Rees Group was acquired by Acoma, an international group of companies that sources, processes, packages and distributes conventional and organic food products and ingredients for the global food and beverage industry. We were honored to receive the Royal designation from the Dutch House of Royals in 2019, recognizing our longstanding reputation.



Our Purpose

Our purpose is to connect the trails of tea and supply the right quality tea and herbal products at fair prices to customers worldwide.

With offices around the globe, Van Rees offers extensive expertise in every step of the supply chain, with knowledge of local and international standards. We understand the market, are experts in blending, ensure quality, manage transportation, handle imports, and provide storage solutions. This is all made possible by our experienced team of tea tasters, master blenders, commercial experts, quality controllers, shipping managers and financial controllers.



Our Perfect Blend

We have built our business on **three strategic pillars**, together creating the perfect (tea) blend:

1. Harnessing the strengths of our **top-seeded global network** to source the finest ingredients.
2. Sourcing from estates across the world to deliver directly to your doorstep, drawing on our expertise in the entire supply chain: **from crop to cup craftsmanship**.
3. **Growing organically together**, with a safe and enabling environment for our employees and in cooperation with our supply chain partners, taking our social and environmental responsibility.

Our Global Presence

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Van Rees Group in Numbers 2024

The total volume of teas and herbals we sold was

56.9

million kilograms

We sourced tea and herbals from

34

different countries


**Top-seeded
Global
Network**

We supplied tea and herbals to

58

different countries

Our total sales were

\$ 143.9 M

The estimated carbon footprint of our supply chain was

4.01

kilogram CO₂ equivalent per kilogram purchased product


**From Crop
to Cup
Craftmanship**

100%

plant-based ingredients

We achieved an EcoVadis sustainability rating of

65%

awarded with a bronze medal

Our employees engaged in more than

900

hours of training

57%

of our purchased volumes were sustainably certified

100% of owned production facilities and **79%** of contracted facilities are GFSI recognized certified (food safety)

135 employees work at our 11 offices

34% female **66%** male


**Growing
Organically
Together**

99,8%

of the tea and herbal volumes were purchased from suppliers who signed the Code of Conduct

49%

of our suppliers have been externally audited on sustainability topics

91%

of our employees have permanent contracts

At all our offices we experienced

0

severe injuries on the workforce

2.

Connecting the Trails of Tea

For over 200 years, Van Rees Group has been connecting the world's incredible trails of tea. We work to serve the rich tea drinking traditions – and their evolving practices and requirements over time – that have flourished across the globe. By linking growers, producers, and consumers, we aim to foster a shared appreciation for this remarkable product and the people who make it.

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Tea's Journey across the Globe

According to legend, tea was discovered in 2737 BCE by Shennong, the mythological Chinese ruler and deity. As the story goes, Shennong had a transparent body, allowing him to observe how plants and herbs affected different parts of his body. He discovered that the leaves of the *Camellia sinensis*—the tea plant—were an effective antidote to the effects of poisonous herbs.

From that discovery, tea began its journey around the globe, embraced as a dish, a medicine, and a drink. It traveled with monks to neighboring countries, with trading caravans across the Asian-European continent, and aboard ships across the oceans.

The energizing effects of caffeine and the health benefits long attributed to other compounds in tea, have fueled its growing popularity over the centuries. Initially an exotic luxury from the Far East, tea gradually became an affordable and beloved beverage as global trade expanded.

As tea spread, new growing regions emerged across the globe. In addition to other Asian countries like India, Sri Lanka and Indonesia becoming major tea producers, regions with favorable growing conditions such as Kenya, Malawi, and Argentina also established thriving tea industries. Each unique terroir, combined with the distinct processing techniques of each origin, contributes to a remarkable variety of flavors and aromas.



Our Main Origins



Sri Lanka

Major tea regions include Nuwara Eliya, Uva, Kandy, Dimbula, Ruhuna and Sabaragamuwa. Sri Lanka produces floral, fresh high-grown teas, rich mid-grown teas, and full-bodied, sweet low-grown teas.

India

Tea grows in Assam, Darjeeling, Nilgiri, Dooars, and Kangra. India produces malty Assam teas, floral Darjeeling teas, fragrant Nilgiri teas, and strong CTC teas.

Indonesia

Tea is cultivated in West Java, Central Java, and Sumatra. Indonesia produces light, floral orthodox black teas and smooth, nutty green teas.

Vietnam

Key tea regions include Thai Nguyen, Lam Dong, Phu Tho, and Yen Bai. Vietnam's teas range from fresh, vegetal green teas to malty black teas and mild, floral oolongs.

China

The world's largest producer of tea, offering the greatest diversity of styles. While traditional cultivation has been concentrated in the eastern and southern provinces, exports are increasingly coming from central regions like Hunan, Hubei, and Shaanxi.



Argentina

Tea is cultivated in Misiones and Corrientes. Argentina mainly produces mild, smooth rotorvane orthodox black teas, commonly used in iced tea.

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How Tea is Made

Tea gets to our cups in a variety of forms: in teabags or as loose leaves, as tightly rolled balls or curly strings, in whole or broken pieces, and with diverse sizes and colors. Be it black, green, white, oolong, yellow, or post-fermented tea, it all comes from the same plant species: *Camellia sinensis*, which exists in numerous natural and cultivated varieties. The final tea we enjoy is the product of a delicate harmony between nature’s artistry and human craftsmanship.

The tea plant flourishes under an ideal combination of sunlight, rainfall, and nutrient-rich soil. Its leaves’ chemical composition is shaped by its unique growing environment. The plant’s natural metabolism and defense mechanisms play a crucial role in shaping tea’s taste profile.

The bitterness comes for example from compounds like caffeine, which acts as a natural pesticide, and polyphenols, which function as sunscreen and antioxidants (also causing the characteristic ‘dry’ mouthfeel). Sweet and umami flavors are derived from naturally occurring amino acids,

essential building blocks of proteins that regulate the plant’s metabolism. Moreover, nutrients from the soil travel through the plant’s roots and branches to its leaves, contributing to the final flavor. Together, these elements create the complex and nuanced flavors that make tea a beloved beverage.

Bringing out the best of these flavorful compounds is where human craftsmanship takes center stage. From the moment tea leaves are picked – whether by skilled hands or advanced machines – a series of chemical reactions begins. These reactions are expertly orchestrated by the tea producer, often building on generations of knowledge, skill, and innovation.

The leaves are first allowed to wither, becoming soft and pliable. They are then rolled under carefully controlled pressure to break down cell walls and release their natural juices. The oxidation process is meticulously managed, halted at precisely the right moment to achieve the desired flavor and aroma. And finally, the leaves are dried to fix them and complete their transformation.



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Iced Teas and Mocktails

The same tea leaf we use for a traditionally nice hot brew, can be infused to become an iced drink. Already in the early 20th century it became a favorite summer drink in the United States, due to hot summers especially in the southern states.

Over the years, iced tea has evolved into a refreshing and versatile drink enjoyed in various forms across different cultures. Freshly brewed from the leaves – as a cold brew or ‘on the rocks’ – or bottled and ready-to-drink, natural or with fruity or herbal flavors, with or without milk, and with or without extra sweetener, depending on the consumer’s preferences. However, as health and wellness trends grow worldwide, many consumers are seeking iced teas made with natural ingredients, less sugar, and functional benefits like antioxidants and vitamins.

Using tea as a base for mocktails has gained popularity due to its versatility and the wide range of flavors it offers. The natural complexity of tea leaves, which includes diverse flavor compounds, opens up endless creative

possibilities—from fresh green teas to floral oolongs, robust black teas, and earthy pu’ers. Combined with catechins that impart mild bitterness and a dry mouthfeel, tea can replicate some of the complexity found in alcoholic beverages. This makes tea-based mocktails an appealing choice for those seeking a sophisticated drink without alcohol, and with natural ingredients.

By blending tea with fruits, herbs, spices, and syrups, these mocktails offer unique and refined flavors. Tea and herbal concentrates are perfect for creating drinks like an Earl Grey Spritz, Matcha Mojito, or Chai Mule.

Herbal Infusions

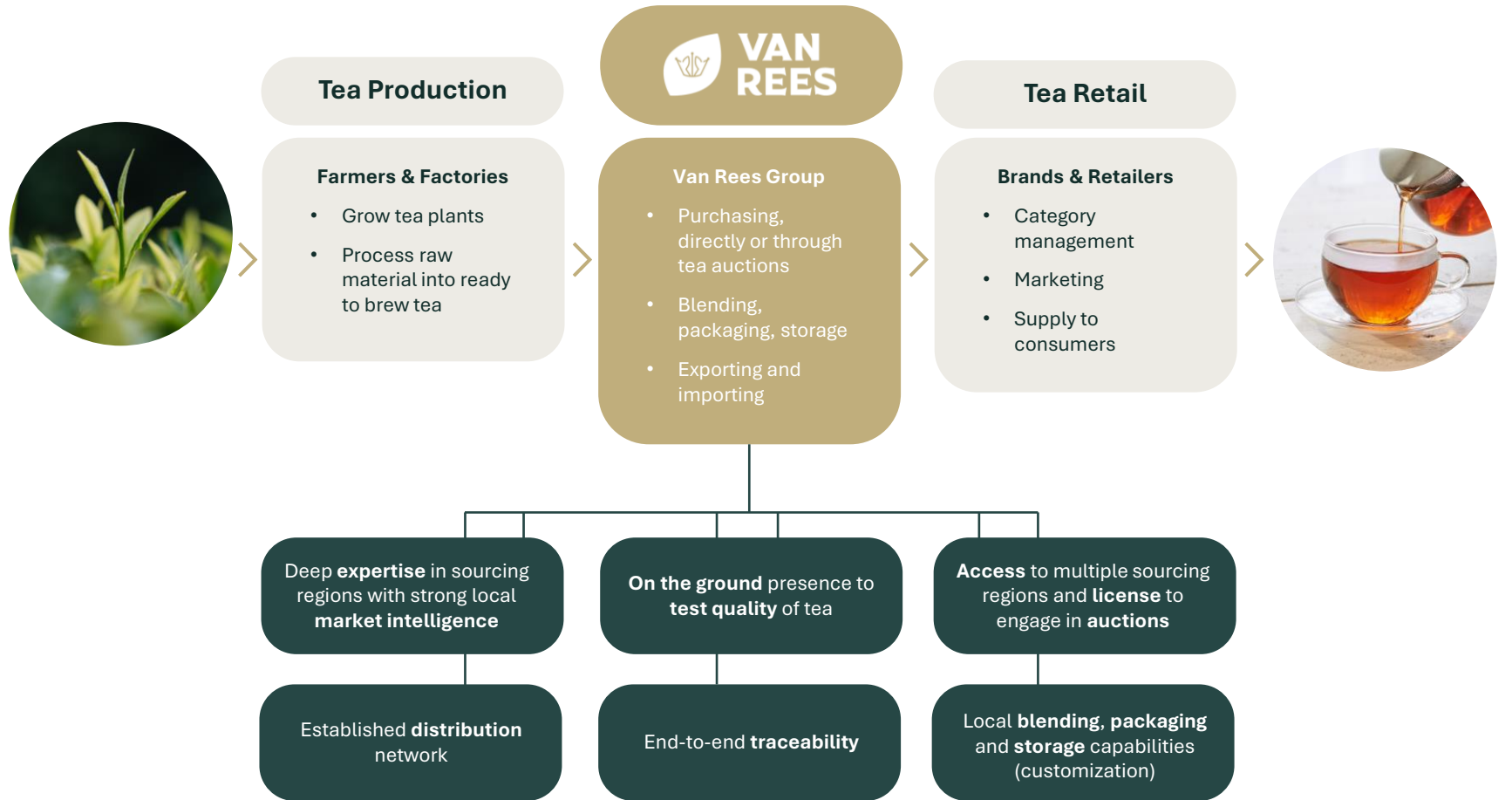
It’s not only ‘tea’ from the *Camellia Sinensis* we supply! Herbal infusions are experiencing a surge in popularity as consumers seek natural, healthy alternatives to traditional beverages. These caffeine-free blends, made from herbs, flowers, fruits, and spices, cater to growing interest in wellness and functional benefits. Whether it’s chamomile for relaxation, ginger for

digestion, or hibiscus for its vibrant flavor and antioxidants, herbal infusions offer a variety of options that align with the demand for mindful and health-conscious consumption.

Mate is another example of a herb of which the infusion has gained enormous popularity over the last years. Deeply rooted in South American culture, its natural caffeine content makes it an energizing, antioxidant-rich alternative to coffee and tea for many consumers in Europe and North America.



Our Role in the Value Chain



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Responsible Corporate Governance

Responsible corporate governance forms the foundation of a well-balanced and accountable business. Having our internal governance and operations in order, allows us to contribute effectively to sustainability in the supply chain.

Our framework consists of:

- Clear Codes of Conduct that outline expectations for employees, suppliers, and partners, fostering integrity and responsible decision-making throughout the supply chain.
- Policies that align with international standards, such as the OECD Guidelines for Multinational Enterprises, ensuring compliance with best practices in human rights, environmental responsibility, and anti-corruption efforts.
- Enabling and empowering our workforce: attracting and retaining talent, providing opportunities for growth, ensuring safe and secure working conditions, and cultivating a culture of mutual respect.

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Codes of Conduct

As part of the Acomo Group, at Van Rees we commit to Acomo's Codes of Conduct for employees and for suppliers. The **Code of Conduct for Employees** covers our business standards on integrity, handling confidential information, responsible use of company property, business relationships, responsible work environment, corporate responsibility and authorizations and approvals. The **Code of Conduct for Suppliers** covers business conduct principles we expect our suppliers to adhere to. For example on following laws and regulations and human rights standards, refraining from corruption, maintaining a safe and healthy working environment free from discrimination and abuse, fair treatment of employees.

[Go to the Code of Conduct \(Acomo\)](#)

[Go to the Code of Conduct for Suppliers](#)

[Go to the Policies \(Acomo\)](#)

Policies

Van Rees Group follows Acomo's corporate governance policies on **bilateral contact with stakeholders**, preventing **insider trading**, **risk management** and **diversity and inclusion** within our business.

Our **Quality and Food Safety Policy** commits us to meet all statutory and regulatory requirements for quality and food safety, to work according to HACCP principles, to work on a sustainable quality and food safety culture, to provide training on these topics and to validate and evaluate our food safety management system through internal and external audit processes. We require our subcontractors – and stimulate our suppliers – to meet the same standards.

We commit to be responsible stewards of the environment wherever we operate through our **Environmental Policy**. This means that we identify, manage, and mitigate any environmental risks, challenges, and opportunities in our own activities. We engage our contractors and suppliers in this process, ensure they are aware of their



environmental responsibilities, by requesting them to sign our Suppliers' Code of Conduct. We measure and analyze our carbon footprint, prevent pollution and promote efficient energy use.

We recognize our responsibility as a company to respect human rights through our **Human Rights Policy**. We commit to perform due diligence in our supply chain, identify actual or potential adverse human rights impacts and prevent, mitigate or minimize them.

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Enabling and Empowering our Workforce

The people in our workforce are our most important asset. Their skills and knowledge, engagement and talent determine our success.

Van Rees is continuously working to improve policies and procedures focused on talent attraction, retention, and development. We prioritize an inclusive and well-balanced diverse work environment – fitting to the international identity of our company – as well as physical and social safety in the workplace. This is an ongoing process, driven by feedback from regular career development discussions between management and employees, as well as the results of employee satisfaction surveys.

91% of our employees have **permanent contracts**. Of our 135 employees, **34% are female** and **66% male**. Together they spent **more than 900 hours on training and development (2024)**.

Whistleblower Procedure

Van Rees Group is covered by the Whistleblower procedure that applies to all companies within the Acom Group. This procedure ensures that all employees, interns, temporary staff, volunteers, trainees, freelancers, (sub)contractors, suppliers, shareholders, and all others who are in any way related to business activities have the opportunity to confidentially report any alleged or suspected misconduct or wrongdoing.

All reports of potential misconduct are taken seriously and handled promptly, fairly, and as confidentially as possible. Acom has established a transparent, open, and predictable process for investigating and remediating grievances. Instructions for reaching the Acom whistleblower procedure are clearly visible in public areas of all our offices and facilities and is available on our website.



Go to the Whistleblower Procedure

Material topics

Diversity & Inclusion

Promoting a culture of mutual respect with no tolerance for discrimination or harassment.

Talent attraction, retention and development

Offering opportunities for professional development and making employees feel valued and empowered to thrive.

Safe and secure working conditions

Creating and maintaining a working environment that support physical and mental well-being.

Responsible corporate governance & Ethics

Ensuring transparency, accountability, and integrity in business operations.

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Our Impact

At Van Rees, we recognize our role in the global tea supply chain and the responsibility that comes with it. Contributing to a more sustainable tea industry starts with investigating and measuring our impact—understanding where we can make a positive difference. Together with our partners, we work to identify and contribute to meaningful change in our circle of influence. For example through our sourcing practices, business governance, or other initiatives that support social and environmental progress.

This chapter outlines how we work on a positive impact through three key themes:

- **A Safe and Healthy Cup of Tea**, on product quality and food safety;
- **Value from Crop to Cup**, on due diligence and transparency and traceability through sustainable certification;
- **Reducing our Environmental Footprint**, on direct and indirect carbon emissions.



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A Safe and Healthy Cup of Tea

Plant-based diets are no longer a niche trend; they've become a major movement, (re)shaping whole food supply chains. Whether for health, sustainability, or ethical reasons, more people are choosing to eat more plant-based food products. Tea and herbal infusions – being 100% plant-based – fit seamlessly in these diets.

Tea is considered to be a healthy drink. Its positive health effects have been subject of scientific studies for a long time. Due to the complex interactions of the many different compounds in tea and the human body, statistical evidence for general health benefits is scarce, but many studies report findings in specific circumstances.

Tea is rich in antioxidants, which can help protecting cells in the body from damage. Studies suggest that green tea consumption is related to improved heart health, brain function and metabolism. The catechins in tea have been shown to have antimicrobial effects, potentially enhancing oral health and the immune system.

Making sure that these benefits are not compromised by health and safety risks in the supply chain is one of the most important aspects of our services to customers.

Material topics

Product quality & Food safety

Providing healthy and nutritious products and minimize food safety risks for customers and consumers.

Health & Nutrition

Providing healthy and nutritious products, that contribute to the quality of life of consumers.



Relevant policies



Go to the Quality & Food Safety Policy (Acom)

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Testing and Tasting: Product Quality

We use different methods to ensure the quality of the products we purchase and sell. This is done by extensive testing at independent laboratories and by tasting in our own professional sample rooms.

Tea, as a globally traded commodity, undergoes rigorous chemical testing to ensure compliance with Maximum Residue Levels (MRLs). These are the highest allowable pesticide residues permitted in tea leaves, for which different countries or regions maintain different maximums.

Given the challenges with growing tea in (sub)tropical climates (such as insects and weeds) and risks of long-distance transportation across the world (such as cross contamination or mold), chemical testing is essential to ensure compliance with food safety and trading regulations.

The tea tasters at our offices determine the quality of the looks, taste and aroma. Matching single origin teas with our customers' demands and determining which teas to select to create the desired tea blend are easily underestimated skills. Close cooperation between traders and tasters make it possible to secure exactly the right teas from the tea auctions or directly from the producers.

Food Safety Certifications

The safety of food products is regulated by very strict (international) laws and legislation. We pay the greatest attention to source tea that is safe and compliant with these regulations.

Our (owned and subcontracted) blending and warehousing facilities in the Netherlands, North America, Sri Lanka, Kenya, Malawi, Indonesia, and India meet high standards to ensure delivery of a safe and healthy cup of tea.



100% of our owned production facilities where we blend and package tea and herbals are even certified according to **very strict Global Food Safety Initiative (GFSI) recognized standards**, such as FSSC 22000.

79% third party production facilities are certified according to the strict GFSI food safety standards (2024).

Evaluating the Quality of Tea

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1

Grading of the dry leaves



2

Observing the color of the liquor



3

Smelling the tea's aromas



4

Slurping the tea for taste and mouthfeel



5

Overall evaluation of the tea quality



6

Getting the tea ready for transport



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Value from Crop to Cup

Tea is primarily grown in developing regions due to favorable climatic conditions, the availability of large tracts of land, and access to manual labor. At the same time, global demand for very low-priced tea remains high. This makes it all the more crucial to prioritize social and environmental sustainability throughout the tea supply chain.

Van Rees Group works to source responsibly by conducting due diligence, by adhering to sustainability certification schemes, and by being an integer business partner for all actors upstream and downstream the supply chain.

Material topics

Product traceability & Transparency

Conducting due diligence in our supply chain and increase its transparency.

Human rights and fair labor practices in the value chain

Honoring ethical business practices, labor standards, and social and environmental aspects when purchasing products and services.

Biodiversity

Honoring environmentally sustainable practices when purchasing products and services.

Relevant policies



Go to the Human Rights Policy (Acom)



Go to the Environmental Policy (Acom)



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Due Diligence

The 'quality' of tea does in our opinion not only refer to its specific characteristics, such as cup color, aroma and grade. At least as important are the circumstances under which the tea has been produced and handled upstream in the supply chain.

Conducting due diligence is important to assess sustainability risks that are for example related to human rights, labor conditions, wages, deforestation and biodiversity.

We want to know which adverse impacts upstream the supply chain are linked to our purchasing activities and what we can or should do to prevent or mitigate them. Our due diligence approach aims to increase the transparency in our supply chains and consists of two steps.

1. Suppliers' Code of Conduct

The first step in preventing adverse impacts in our supply chain is to ask each of our suppliers to sign the Van Rees suppliers' Code of Conduct, to demonstrate their compliance. This Code of Conduct clarifies our global expectations in the areas of business integrity, labor practices, associate health and safety, and environmental management. It outlines the minimum acceptable standards we expect in our supply chains.

99,8% of the purchased volumes of tea and herbals in 2024 were purchased from suppliers who signed the Van Rees Supplier Code of Conduct.



[Go to the Code of Conduct for Suppliers](#)

2. Risk Assessment

The second step in our due diligence approach is an assessment of sustainability risks in our supply chain. This includes verification of sustainable certifications our suppliers maintain.

In 2024 we have started to step up our risk assessment approach, to increase the transparency in our supply chains. By means of the Sedex Risk Radar, for each of our suppliers an initial generic 'risk score' is determined, based on their country of origin and operations.. By assessing the submitted information, we can expand our insights into the sustainability risks in our supply chains.

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Being Part of a Certified Tea Supply Chain

Considering the fact that much of the world’s tea production happens in developing countries, issues like child labor, unfair wages, gender inequality, deforestation or excessive pesticide use are risks for both people and the environment.

Van Rees Group meets the standards of various certification schemes with a strong focus on sustainable tea production. They provide transparency about social and environmental practices, protect workers' rights and promote sustainable farming practices.

By sourcing teas from producers that follow these standards as well, we’re being part of a fully audited responsible supply chain.

49%* of our suppliers in 2024 were part of our **certified sustainable supply chains**.

** Statistics in this report are based on data from our own ERP system.*

The Rainforest Alliance

The Rainforest Alliance aims to create a more sustainable world by using social and market forces to protect nature and improve the lives of farmers and forest communities.

Rainforest Alliance Certified crops are produced according to standards on environmental (e.g. soil health, biodiversity, responsible water use, use of agrochemicals), social (e.g. child and forced labor, training and education), and economic sustainability (e.g. fair wages, sustainability differential).

More info: www.rainforest-alliance.org.



57%* of our purchased volume in 2024 (tea and herbals included) was **certified** according to one of the certification schemes mentioned on this page.

Fairtrade

Fairtrade contributes to sustainable development for certified producers by enabling fairer trading conditions, social change and environmental protection. Fairtrade certified ingredients are traded, audited and sourced from Fairtrade producers.

More info: www.fairtrade.net.



Organic

Organic certified products are grown without synthetic pesticides, herbicides, or chemical fertilizers, ensuring a more eco-friendly product. The certification guarantees strict environmental and farming standards across the entire tea-growing process, protecting both consumers and our planet. Our certifications include EU, USDA and Canadian organic.

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Reducing our environmental footprint

Between the crop and your cup are many activities that emit greenhouse gasses into the atmosphere, from farming and processing, to transportation, blending, packaging and brewing.

At Van Rees Group, we recognize the importance of understanding our environmental impact by assessing our carbon footprint, both within our own operations and across the broader supply chain.

By increasing awareness and transparency, we can make more informed decisions and encourage collaboration across the industry. Moreover, understanding these emissions allows us to engage in meaningful discussions with suppliers, partners, and customers about sustainability challenges and opportunities.

The Greenhouse Gas (GHG) Protocol is the most widely used framework for measuring and managing carbon emissions. It categorizes emissions into three scopes:

- **Scope 1** – Direct emissions from company-owned sources (e.g., fuel combustion in tea factories).
- **Scope 2** – Indirect emissions from purchased electricity, steam, heating, or cooling.
- **Scope 3** – All other indirect emissions in the value chain, including farming, transportation, packaging, and consumer use.



Material topics

Climate change

Being aware of your own carbon footprint and making a conscious effort to reduce greenhouse gas emissions.

Relevant policies



Go to the Environmental Policy (Acom)

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Environmental Impacts from our owned Facilities

Our own emissions (Greenhouse Gas Protocol Scope 1 and 2) come mainly from the energy use in our owned warehouses and processing facilities. By measuring and evaluating these direct emissions, we get a clearer picture of our impact—and how we can reduce it by operating more responsibly.

To assess our direct environmental impact, we keep track of our energy consumption, greenhouse gas emissions, water consumption, generated waste (separation) and used primary packaging material per type.

From 2023 to 2024, our environmental impact per produced kilogram of blended tea decreased on all aspects except for the use of primary packaging.

	2022	2023	2024	Difference between 2023 and 2024	
Greenhouse gas emissions (Scope 1 & Scope 2) GHG emission intensity (kg CO ₂ /kg)	0.016	0.020	0.021	+2%	▼
Energy consumption Energy intensity (MJ/kg)	0.18	0.21	0.20	-4%	▲
Water consumption Water use intensity (m ³ /kg)	0.00053	0.00061	0.00050	-18%	▲
Waste production Total waste per kg product (kg/kg) Percentage of waste separation (%)	0.0173 95.0	0.0153 97.3	0.0151 98.9	-1% +2%	▲ ▲
Primary packaging material per type Package-to-product ratio (kg/kg)	0.080	0.063	0.061	-2%	▲

Environmental impact from our owned processing and warehousing facilities. The arrows in the last column show whether we improved our practices (green) or not (red).



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Carbon Emission in our Supply Chain

The largest part of our carbon footprint comes from indirect emissions embedded within the tea supply chain. This includes emissions from tea cultivation, processing, packaging, and transport, as well as the production of materials we use in our operations, the services we subcontract, and the travel required for our business activities. These are our so-called supply chain emissions (Greenhouse Gas Protocol Scope 3).

While we cannot drive change alone, we aim to identify where our actions can have the greatest impact in reducing tea's carbon footprint. As a trading company positioned in the middle of the supply chain, we have direct control over our own operations (energy use, waste production and disposal, packaging materials) and can influence improvements in subcontracted activities.

Upstream, our sourcing choices matter. Understanding the farming and production methods behind the tea and herbs we buy, and encouraging gradual improvements at origin, can contribute to more sustainable practices. Downstream, we can advocate for teas with a lower social and environmental impact and raise awareness about how tea buyers influence the supply chain as well.

The Greenhouse Gas Protocol's Corporate Value Chain Standard provides a framework to measure and manage these supply chain emissions. It divides Scope 3 emissions into 15 categories, grouped into upstream (before the company) and downstream (after the company) activities.

As information on downstream activities is very limited, only upstream activities have been included until now in the estimation of the carbon emissions that are caused by our activities in the supply chains of the products we trade. The estimation has been done based on our own data and on assumptions or publicly available data.

The estimated carbon footprint per kilogram purchased tea and herbals (from crop to our facilities) is **4.01 kg CO₂ equivalents**.

- More than 95% of the upstream carbon footprint is due to growing, harvesting and processing of tea/herbals;
- 2-3% of the upstream carbon footprint is due to overseas/long distance transportation;
- <1% of the upstream carbon footprint is purchased goods & services (other than tea/herbals), energy use and waste production at offices and facilities for blending and warehousing.

It's important to recognize that the current method of estimating our scope 3 carbon emissions makes it difficult to reflect improvements. To quantitatively assess the impacts of our future choices, more precise data is required on for example the impact of conventional versus organic or regenerative farming, carbon sequestration, and the sustainable practices of different transportation companies.

CO₂ Emissions in our Value Chain

Upstream Emissions

1. Tea growing and harvesting

- Land use change (from forest to plantation), reducing carbon sequestration (by removing shadow trees).
- Farming methods: use of pesticides and fertilizer that release greenhouse gases (especially N₂O). Their production cause emissions as well.
- Use of (fossil) fuel powered machines in the field, for harvesting or irrigation.

95%

2. Tea processing

- Fuel powered vehicles to transport tea leaves from plantation to processing facility.
- Energy and heat generation (coal, wood/biomass, fossil fuels, electricity) for steps in the production process: withering, rolling, oxidation, drying, roasting.
- Production of (and future waste from) bulk packaging materials.

Our opportunities to reduce the footprint:

- Support sustainable farming and processing practices.
- Arrange efficient and sustainable transportation.
- Choose renewable energy sources for own operations.
- Use responsible packaging materials.

3. Tea transportation

2-3%

- Shipping or other long-distance transportation to transport processed teas to brokers' and/or traders' warehouses.

4. Tea blending, (bulk) packaging and storage

<1%

- Electricity to power blending and automated packaging equipment.
- Production of and future waste from consumer packaging (tea bags, tins, cartons).
- Temperature regulation in warehousing facilities.

Downstream Emissions

5. Tea retail and distribution

?

- Transport from traders' warehousing facilities to and between wholesalers, supermarkets, specialty shops and online retailers (including consumer packaging).
- Electricity use for lighting and temperature regulation in shops and stores.

6. Tea brewing

?

- Boiling water: overboiling and/or boiling excess water wastes energy.
- Disposal of brewed tea leaves and packaging.

Circles: % of total estimated **upstream carbon emissions** in our supply chain

Marked: Known to cause the biggest emissions in the total supply chain.

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Responsible Corporate Governance

Our Impact

A Safe and Healthy Cup of Tea

Value from Crop to Cup

Reducing our Environmental Footprint

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5.

Zooming Out and Looking Forward

At Van Rees Group we want to take our environmental and social responsibility. But looking at the global stage, increasing sustainability in the tea supply chain is a very complex challenge, shaped by economic and political pressures, structural disconnects, and shifting priorities. The very nature of global tea production and trade makes it difficult to implement sustainable practices on a large scale.

While awareness is growing, the industry still faces significant challenges, both at the production and consumer levels.

Driving Change in Tea: Challenges

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On the producers' side, tea is predominantly grown in developing countries, where economic survival often takes precedence over sustainability, even when it's a necessary strategy for resilience.

Many tea farmers and estates operate in environments where resources for sustainability initiatives are scarce, and immediate financial stability is the priority.

The auction-based sales system, which remains a dominant sales mechanism in many origins and does provide price transparency and liquidity for producers who might otherwise struggle to find buyers, creates a certain degree of separation between buyers and producers, limiting direct accountability and making it more difficult to establish long-term sustainability commitments or incentivize responsible practices.

Looking at tea market dynamics, the industry's strong focus on profitability and keeping consumer prices low means that the most competitive deals often push ethical boundaries.

Although tea prices are affected by many factors, from climate conditions to government policies, intense market competition – combined with overproduction in some areas – tends to drive prices downward.

As margins shrink, producers and sellers alike have less financial flexibility to invest in sustainability initiatives, such as improving labor conditions, reducing environmental impact, or adopting more regenerative farming techniques.

On the consumers' side, the reality still is that sustainability is often not a primary concern. Sustainability certifications have gained traction, but traded volumes worldwide remain limited compared to conventional tea.

Many tea drinkers reside in markets where ethical sourcing and environmental responsibility rank lower than affordability, taste, and brand appeal. Even in premium tea segments, higher prices are typically justified by superior product quality and effective marketing rather than by demonstrable social and environmental improvements across the supply chain.

This disconnect makes it harder to create a widespread demand for sustainably sourced tea, which in turn reduces the incentive for producers and sellers to prioritize sustainability.

To drive real change, the tea industry needs a systemic shift—greater transparency in sourcing, increased awareness of sustainability risks, stronger direct connections between producers and consumers, and a broader understanding that long-term resilience is more valuable than short-term profitability. Only through collaborative efforts across the supply chain can the industry move toward a more sustainable future.



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Our Next Steps toward a More Sustainable Supply Chain

At Van Rees, we recognize that sustainability is an ongoing journey. One that requires continuous effort, from raising awareness to taking meaningful action.

As we move forward, we remain committed to contribute to the sustainability of our supply chain, ensuring that our impact is both positive and measurable.

These are our next steps to make a positive impact in our supply chains.

A Safe and Healthy Cup of Tea

We are continuously **strengthening our food safety culture** and **expanding our GFSI-recognized certifications**. While our owned processing facilities are already certified, we plan to extend this commitment to our trading offices as well. This ensures that we demonstrate clear control over food safety risks throughout our supply chains.

Value from Crop to Cup

We plan to further **professionalize our due diligence approach** and enhance our sustainability risk assessments across our supply chains.

To mitigate sustainability risks, we plan to **explore and establish partnerships** with like-minded organizations in our sourcing regions.

Reducing our Environmental Footprint

To establish a stronger foundation for evaluating our environmental footprint and identifying effective reduction measures, we plan to **improve the quality of data and estimations used in our carbon calculations**.

Although our offices and owned production facilities contribute only a small share of the total supply chain's footprint, we plan to **analyze potential carbon emission reduction options** within our own operations.



Continuous Work in Progress

To assess our business's overall sustainability rating, Van Rees Group is part of the EcoVadis network. EcoVadis is a globally recognized platform that helps to manage ESG risks, meet sustainability goals and drive impact.

The EcoVadis rating system is based on four key categories: environmental impact, labor, and human rights standards, ethics, and procurement practices. It evaluates a company's policies, measures/actions and outcomes, providing an in-depth analysis of its sustainable behavior.

Van Rees Group has been awarded a Bronze medal in 2024, meaning that we are in the top 35% of EcoVadis rated companies. This shows the work we are doing and provides a good start for improving our sustainable policies and practices.

