



IRBC
agreement
floriculture



**THE IRBC
FLORICULTURE SECTOR
ROADMAP**

Progress and future steps
for a more sustainable
floriculture sector

SEPTEMBER 2022



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1. The IRBC agreement and its purpose

Between 2019 and 2022, companies in the Dutch floriculture sector, the Dutch government, a trade union, and NGOs worked together under the agreement for International Responsible Business Conduct in the floriculture sector (the IRBC agreement), to promote sustainable production and trade of ornamental flowers and plants. The secretariat of the IRBC agreement was hosted by IDH.

The goal and approach of the IRBC agreement

The goal of the IRBC agreement was to make the floriculture sector more sustainable pursuant to international recognized guidelines¹ for international responsible business conduct. The intention of the parties to the agreement was to identify, prevent and address potential negative impacts on people and planet in connection with the floriculture sector, amongst others by setting up a due diligence process.

Due diligence is the process in which companies identify, prevent, and remediate the (potential) negative impact of their actions in their supply chain, and account for how they deal with this impact. In addition to due diligence, the agreement focused on living wage, safe use of crop protection products and impact of crop protection products on the environment. In addressing these themes, the parties built on the existing knowledge from the Floriculture Sustainability Initiative (FSI), but also accelerated and facilitated the FSI strategy for 2025.

The parties and their collaboration

The agreement was driven by stakeholders from the private sector, the public sector, and the government. Though of Dutch origin, all these parties stood by their ambition to boost international responsible business conduct.

Progress so far & recommendations for the future

Over the past three years the parties to the IRBC agreement have worked on the priority themes to identify challenges and opportunities, to develop tools and approaches to address those, and to identify recommendations for future improvement throughout the sector. This report provides a snapshot of those outcomes and recommendations. The full report on the [website of the IRBC agreement](#) provides further detail on the activities that led to these outcomes and recommendations.

¹ The OECD Guidelines for Multinational Enterprises (the 'OECD Guidelines') and the UN Guidelines on Business and Human Rights (the 'UNGPs').

SIGNATORIES



STAKEHOLDERS





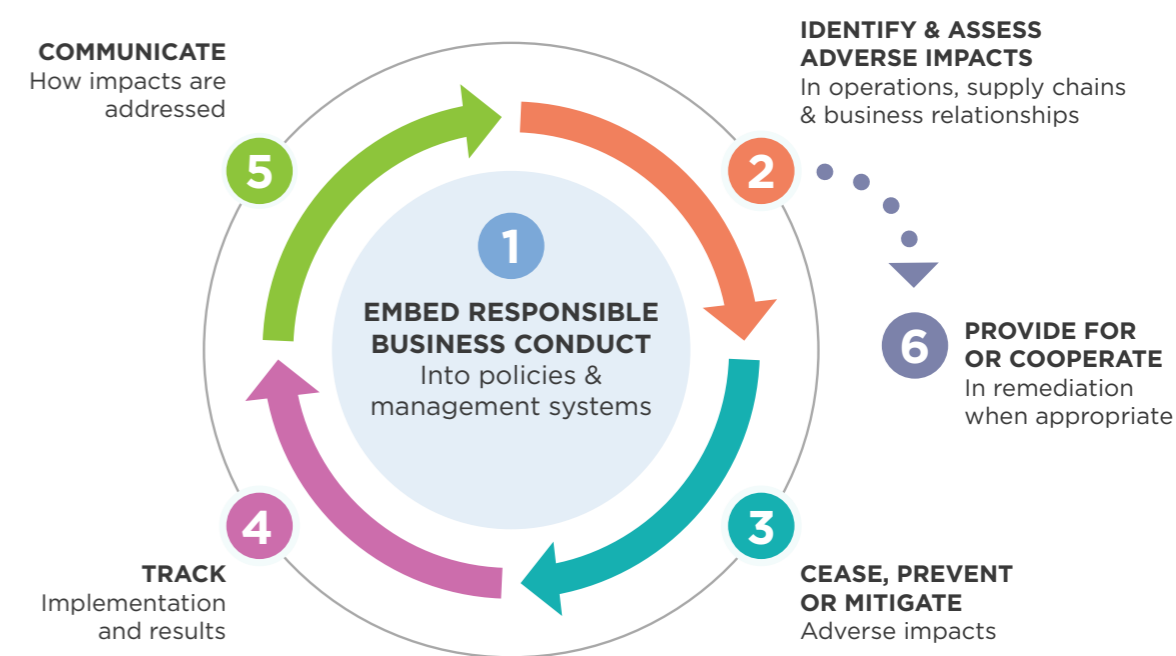
2. Three years of collaboration – Outcomes and progress

The Parties under the IRBC agreement focused on several themes. Out of those themes, due diligence, living wage and agrochemical management were prioritized.

I. DUE DILIGENCE

Due diligence is a continuous process that helps companies identify risks in the areas of human rights, labour rights and the environment and subsequently stop, prevent, or mitigate them. The due diligence process is defined by internationally recognized OECD Guidelines for Multinational Enterprises (2011) (the OECD guidelines) and the United Nations Guiding Principles (the UNGPs). The due diligence process consists of 6 steps:

- 1 Integrate corporate social responsibility into policy and management systems;
- 2 Identify and assess negative impacts in operations, supply chains and business relationships;
- 3 Stop, prevent or limit negative consequences;
- 4 Track implementation and results;
- 5 Communicate how impacts are addressed;
- 6 Provide for or cooperate in remediation when appropriate.



Objectives for due diligence

The companies under the IRBC agreement set out to implement a due diligence process in line with the OECD guidelines and UNGPs. The comprehensive list of objectives in the IRBC agreement can be summarized as follows:

- Enabling companies to provide adequate answers to the essential due diligence questions and ensuring the implementation of a due diligence process²;
- Ensuring that representative organizations can promote and explain due diligence to their constituents and that the auction can determine to what extent it can link an effort of due diligence by users of the marketplace to the conditions for access to the marketplace of the flower auction;
- Analyze how the standards used within FSI fit in with due diligence and enter discussions with the (relevant) scheme owners to make agreements for improvement.
- Evaluating the collective company progress in setting up a due diligence process over the course of the agreement and using learnings to inform further improvements.

Outcomes and progress

Tools and approaches for implementing a due diligence process

The members of the IRBC agreement developed several tools and approaches to facilitate the implementation of a due diligence process, covering the IRBC agreement code of conduct for the floriculture sector (step 1), a sector risk map and self-assessment questionnaire to identify key risks in sourcing regions (step 2), reporting guidance (step 5) and an action plan with concrete recommendations for implementing a due diligence process. The below visual summarizes the tools and approaches and provides links for more details.

² These can be found in the annex to the official IRBC agreement.

IRBC CODE OF CONDUCT - AFRIFLORA

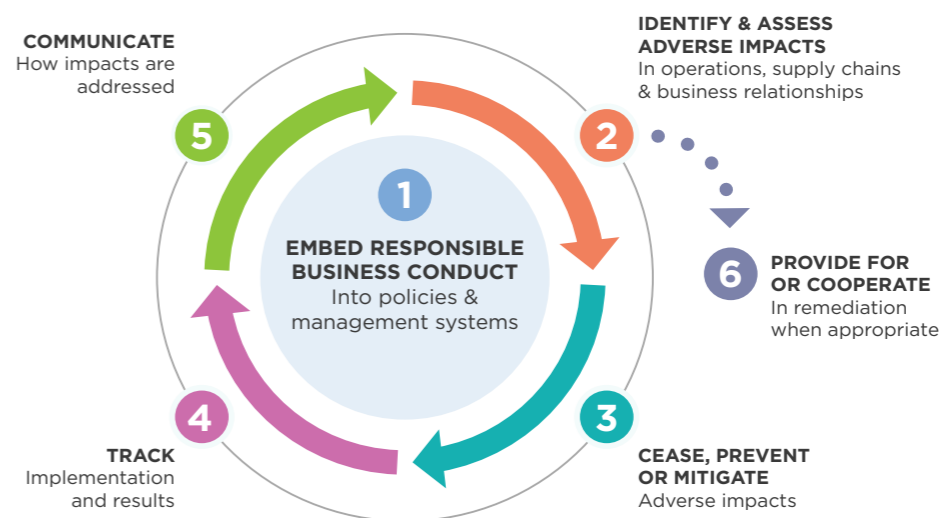
“We have implemented the IRBC floriculture code of conduct in our organization and requested our supply chain partners to do the same. The due diligence process focusses on continuous risk analysis and improvements. Although we have made considerable improvements on the agronomy side of our business, for instance by implementing Wetlands and IPM, the access to remedy was something we had to improve. This has led to the hiring of a local relations manager in Ethiopia, responsible to talk and listen to all local stakeholders. We also decided to publish our [new website](#) not only in English but also in the local languages Afan Oromo and Amharic. We want to be transparent about our practices to maintain our ‘license to produce’”



Aswin Endeman,
Manager Business Support
and CSR at Afriflora



FIGURE 1 TOOLS DELIVERED BY THE IRBC AGREEMENT



- 1** The IRBC [floriculture code of conduct](#) and the [explanatory flyer](#) help companies to embed and communicate responsible business conduct.
- 2**
 - The IRBC [sector mapping](#) collects the most salient risks and [production and trade volumes](#) per sourcing region;
 - The IRBC [self-assessment questionnaire](#) (SAQ) helps companies identify and assess sustainability risks in their operations;
 - The digitalized SAQ and sector database help companies to efficiently store and share risk information.
- 3**
- 4**
- 5** The IRBC [reporting a guidance and template](#) helps companies to communicate about their responsible business conduct efforts in an OECD-compliant manner.
- ∞** The [due diligence action plan](#) present recommendations for companies and multistakeholder initiatives for activities in each step of the due diligence cycle.

Implementation of due diligence – Progress and room for improvement

A baseline evaluation in year two identified the extent to which companies under the IRBC agreement implemented the various steps in the due diligence cycle. A follow up evaluation in year three demonstrated that the activities under the IRBC agreement led to more awareness and a general improvement in the implementation of a due diligence process. As demonstrated in the below figure, companies made the most substantial improvements in relation to embedding responsible business conduct in policies and management systems (step 1) and public communication (step 5). The identification and assessment of adverse impacts in operations, supply chains & business relationships (step 2), tackling these (step 3), tracking the results (step 4) and providing access to remedy (step 6) pose the main challenge.

The role of Royal FloraHolland

As a cooperative of growers and business to business marketplace, Royal FloraHolland does not own the products that are traded but does deliver unique services in relation to ordering, payment and delivery of products. Royal FloraHolland has started their due diligence process with their top 50 suppliers of goods and services by sharing the IRBC Code of Conduct for the Floriculture sector and requesting a demonstration of compliance. With regards to the users of the marketplace, Royal FloraHolland will keep monitoring developments in sustainability, align their rules for use of the marketplace with suppliers of flowers and plants (growers) as well as with their buyers (exporters, wholesalers, and florists) for a level playing field. Updates of marketplace rules may include requiring a 'proof of good behaviour' such as the code of conduct or certification as obligatory part of these rules, both for growers as well as for buyers.

SUSTAINABILITY REPORTING

“Royal Lemkes is an active contributor to the IRBC agreement and has been working on building its due diligence process by incorporating existing and new activities in it. As sustainability is at the heart of our business, we have been communicating our activities through [integrated reporting](#). We want to expand this in the future, building on the learnings of the IRBC agreement by communicating about our learnings and stimulating continuous improvement’.



Elise Wieringa,
Manager Sustainability
at Royal Lemkes.



TABLE 3 AGGREGATE RESULTS OF THE EVALUATION OF COMPANY DUE DILIGENCE IMPLEMENTATION

Due diligence step	#	Question	Score 2020	Difference	Score 2022	Average step score 2020	Difference	Average step score 2022
1 Embedded responsible business conduct into policies & management systems	1	Dedicated policies	64	26	90	66	15	81
	2	Communicate commitments	64	36	100			
	3	Senior-level awareness	86	11	97			
	4	Internal training	43	30	73			
	5	Internal responsibility	79	11	90			
	6	Supplier code of conduct	57	16	73			
	7	Communicate CoC	n.a.	0	43			
2 Identify & assess adverse impacts in operations, supply chains & business relationships	8	Supply chain map	71	15	87	48	8	56
	9	General risks and issues	50	13	63			
	10	Your risks and issues	50	17	67			
	11	Supplier risks and issues	43	10	53			
	12	Raw materials	21	4	26			
	13	Your link to risks	43	-2	41			
	14	Assess impacts	57	-7	50			
3 Cease, prevent or mitigate adverse impacts	15	Cease operations	57	10	67	52	8	60
	16	Prevent and mitigate	57	-0	57			
	17	Examples of prevent and mitigate	n.a.	0	57			
4 Track implementation and results	18	Targets	43	21	64	50	3	53
	19	Track performance	43	7	50			
	20	Learn from mistakes	57	-4	53			
	21	Escalation for breaches	n.a.	0	57			
	22	Data on risks and impacts	n.a.	0	40			
5 Communicate how impacts are addressed	23	Communicate on risks and issues	36	18	53	57	12	69
	24	Communicate on impacts	50	10	60			
	25	Communicate on covenant	86	14	100			
	26	Communicate on other commitments	n.a.	0	63			
6 Provide for or cooperate in remediation when appropriate	27	Remediation	21	22	43	29	16	45
	28	Grievance mechanism	36	11	47			
Additional	29	Due diligence progress	n.a.	0	n.a.	N.A.		N.A.
	30	Challenges	n.a.	0	n.a.			
Average score			53	10	63			

Opportunities for voluntary standards

In recognition of the role of voluntary standards in sustainability, a comparison between standards in the FSI basket and the OECD guidelines was made. Results showed that some topics are covered well by standards

but that 'Human rights', 'Combating bribery' and 'Consumer interests' are only partly covered, and 'disclosure' is not covered at all.

TABLE 2 SUMMARY OF THE EXTENT TO WHICH VOLUNTARY STANDARDS IN THE FSI BASKET OF STANDARDS TEND TO COVER OECD MNE TOPICS

OECD MNE topic	Coverage FSI benchmarks	General opportunities for improvement
1 Disclosure	● ● ●	More focus on financial accounting standards and requirements on sharing timely and accurate information on material matters.
2 Human rights	● ● ●	Decent coverage of most human rights aspects, but without the essential attention for roles and responsibilities beyond company limits and in the supply chain.
3 Employment and industrial relations	● ● ●	More attention for local employment is desirable, with a need to explicitly focus on employing and training local communities, providing equal opportunities to all people, and providing facilities to workers representatives
4 Environment	● ● ●	Ensuring that environmental initiatives are placed in national laws and regulations, enable regular updates to workers and the public, and focus on not just a company but also on its supply chain relations.
5 Combating bribery, bribe solicitation and extortion	● ● ●	Broad opportunity for improvement, for instance through the adoption of the 2013 Anti-Corruption Ethics and Compliance handbook of the OECD-UNODC-World Bank
6 Consumer interests	● ● ●	Opportunity for consumer facing labels to provide consumer information and cooperate with public authorities
7 Science and technology	● ● ●	Identified for longer term inclusion and out of scope.
8 Competition	● ● ●	
9 Taxation	● ● ●	

Several of the voluntary standards in the FSI basket of standards have indicated their intention to update their code of practices where possible to bridge the identified gaps. FSI was recommended to follow-up with both the IRBC findings and declarations of intent to ensure that the FSI basket of standards remains up to date with OECD due diligence requirements.



SHARING BEST PRACTICES ON DUE DILIGENCE

“Women Win has been a proud contributor to the work under the IRBC agreement, and specifically to the integration of gender equality in priority themes such as due diligence. Our workshop about gender responsive due diligence for companies offered an interactive dialogue to teach participants how to mainstream gender equality in their due diligence process. We aspire to continue this work in the floriculture sector in the future, supporting companies with our tools, expertise, and network to work towards gender equality throughout international supply chains. We will build on what we have learned in the IRBC agreement to ensure that gender equality will be an integral part of general business practices”.



Nada van Schouwenburg,
Program Manager 'Win-Win Strategies' at Women Win



II. LIVING WAGE

Living wage is the remuneration (in-cash and in-kind) received for a standard work week by a worker in a particular time and place sufficient to afford a decent standard of living include food, water, housing, education, healthcare, transport, clothing, and other essential needs including provision for unexpected events³.

Living wage is a fundamental and globally recognized human right, is integrated into the Universal Declaration of Human Rights as well as ILO standards and directly links to the UN SDG 1 (reducing poverty and inequality). Furthermore, by securing a living wage, companies can lower reputational risks and reduce employee turnover⁴.

Objectives for living wage

The parties of the IRBC agreement have included living wage as one of the core focus areas of the agreement and committed to the following key objectives for living wage:

- Parties will increase their level of knowledge and strive to identify concrete action perspectives

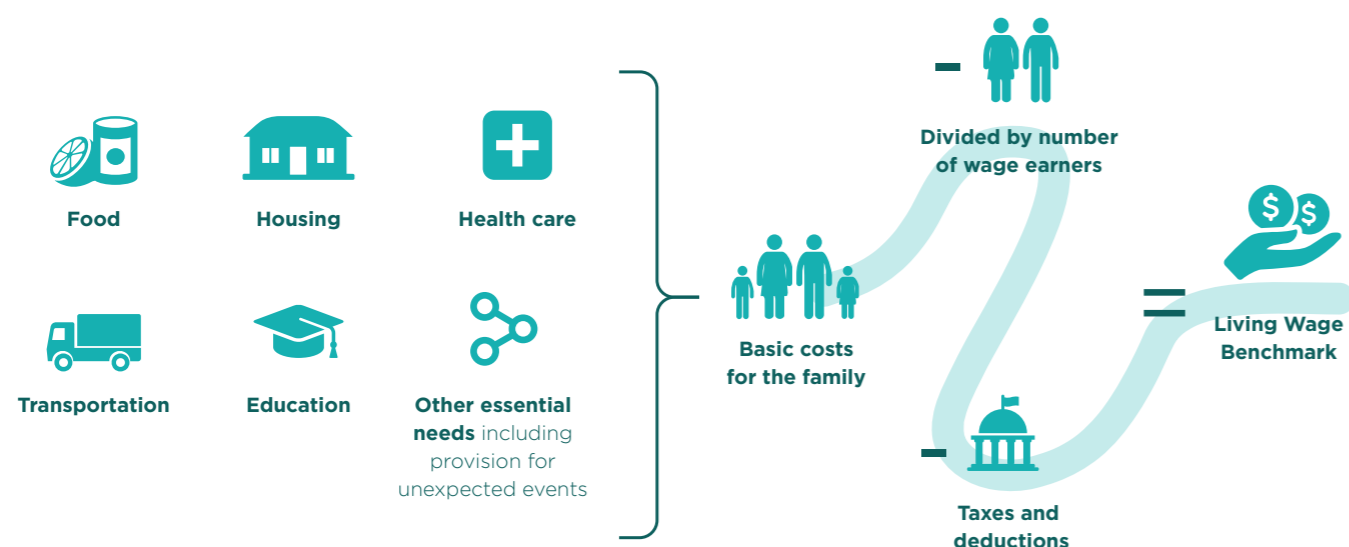
regarding living wages within the floriculture sector and, where necessary, tackle them together.

- Parties will set up a living wage project or join an ongoing project.
- The Ministry of Foreign Affairs will, through the embassies and possibly a regional approach, commit itself to the realization of living wages in the floriculture sector that are established through collective bargaining.

Outcomes and progress

The parties under the IRBC agreement have collaborated on living wage through the living wage working group. As demonstrated by the below summary figure, the working group developed new approaches for the floriculture sector through workshops and webinars and refined those approaches and linked instruments through field projects.

FIGURE 2 CALCULATION OF LIVING WAGE BENCHMARK



3 Global Living Wage Coalition: <https://globallivingwage.org/>

4 Productivity, Profits, and Pay: A Field Experiment Analyzing the Impacts of Compensation Systems in an Apparel Factory, <https://irle.berkeley.edu/productivity-profits-and-pay/>

THE IRBC AGREEMENT LIVING WAGE CHAIN PILOT

“As stakeholders to the IRBC agreement, the Floral Connection and Albert Heijn acknowledge the importance of a living wage for workers. Together with Nini roses, the Floral Connection and Albert Heijn are therefore collaborating in an IRBC Floriculture Agreement project to generate more knowledge around living wage and ways to address this in collaboration with others. We hope to use the anticipated learnings in our efforts to progressively work towards a living wage.”



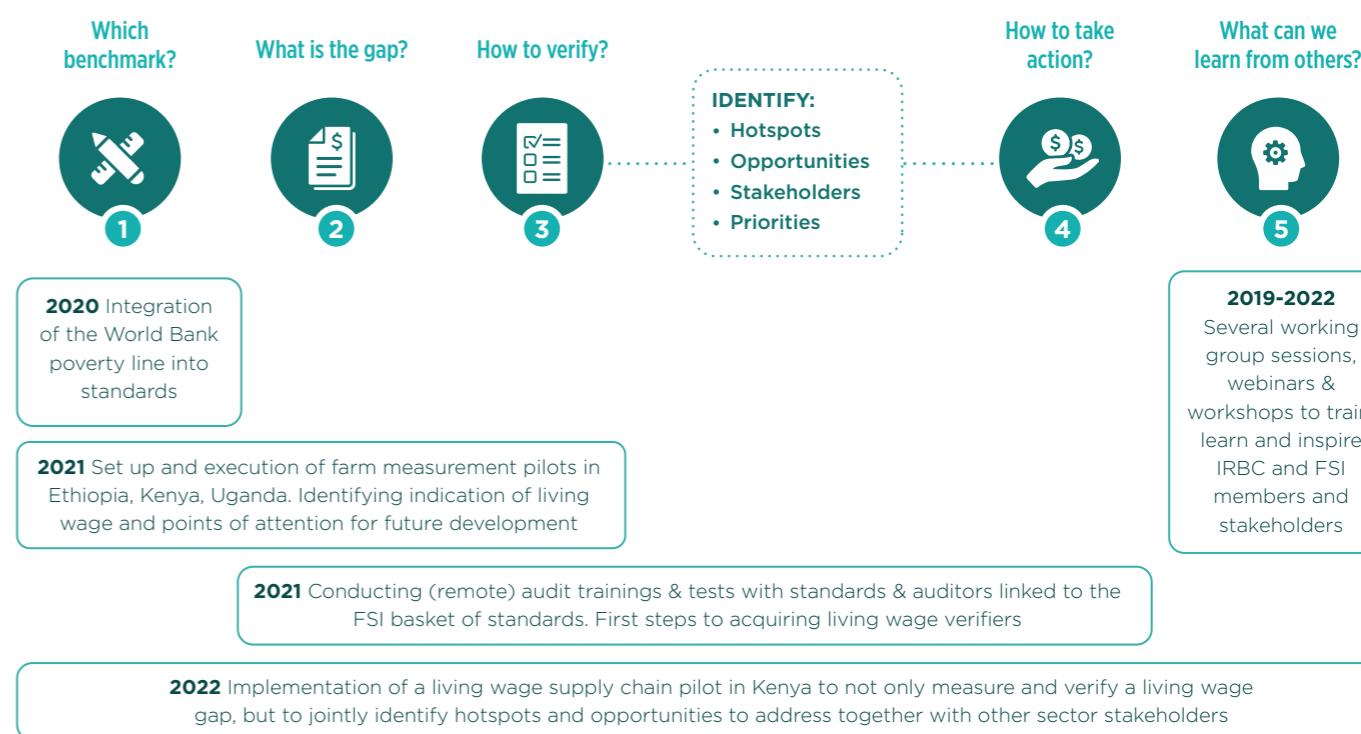
Marloes Bruin,
Sustainability Manager
at Albert Heijn



Marko van Kesteren,
Team Manager Quality Assurance
at The Floral Connection,
Dutch Flower Group



FIGURE 3 THE LIVING WAGE ROADMAP AND RELATED IRBC AGREEMENT LIVING WAGE ACTIVITIES



2022 Implementation of a living wage supply chain pilot in Kenya to not only measure and verify a living wage gap, but to jointly identify hotspots and opportunities to address together with other sector stakeholders



III. RESPONSIBLE AGROCHEMICAL MANAGEMENT

The parties to the IRBC agreement recognize that the use of plant protection products can have an impact on both the environment and the social working conditions of workers. Parties to the agreement have therefore worked on reduction of the environmental impact of the use of plant protection products and the promotion of safe use of plant protection products in nurseries.

Objectives for responsible agrochemical management

In recognition of the importance of responsible agrochemical management, the parties of the IRBC agreement committed to the following objectives:

- Parties contribute to the development of a widely supported methodology to provide insight into the environmental burden of crop protection products.
- Parties will engage with chain partners and other stakeholders to identify and remove barriers to safe use, and to identify and promote best practices.
- The Parties shall ensure the reduction of the environmental burden and shall organize adequate monitoring of the use of this methodology.

Outcomes and progress

Impact on the environment

Following a review of existing pesticide measurement methodologies and tools, the parties under the IRBC agreement focused on the [Environmental indicator Crop Protection \(EICP\)](#) as preferred methodology for environmental impact measurement. The EICP is a tool that was developed by a multistakeholder consortium which was managed by Wageningen University. Both theoretical test cases (testing the model) and practical pilots (applying the concept tool in Ugandan Chrysanthemum production) proved the added value of the tool to the sector but



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also pointed out that it requires a substantially updated underlying database of active substances. Furthermore, the EICP tool would have to be updated to make sure that output data can be stored, monitored, and compared to allow for improved agrochemical management. The EICP software would also benefit from a linkage to other databases and systems (such as those managed by certification schemes) to scale its use. Research by Natuur & Milieu on the optimal integration of the EICP in the floriculture sector indicated that the underlying methodology and database would be owned by several parties to safeguard quality and independence, but that day-to-day management and use would best be placed by a private party such as a voluntary standard in order to ensure that the tool is properly linked to the sector's daily practice.

Safe use of agrochemicals

In the field of safe use, the parties took stock of the risks of the use of resources with stakeholders at various points in the chain. An online study was performed to identify the underlying causes of the 5 most common and urgent issues, covering company policies, execution of plant protection products, types of PPPs used, roles of stakeholders and training and awareness. The results of the study showed that farms usually have well-thought-out processes in place and score well on most aspects. In terms of training and awareness, some companies may benefit from more attention for the training of new employees. Worker committees prove to be essential in support of training and awareness creation, with respondents indicating that they help with ad-hoc / periodical review of incidences, monthly inspections of equipment and spraying plans, and regular risk inventory to ensure that the proper PPPs and PPE are used. The (support of worker committees in) regular training for new employees, and the awareness creation for use of biological PPPs were also identified as a best practice for standards to include into their requirements.



DEVELOPING THE ENVIRONMENTAL INDICATOR CROP PROTECTION

“MPS has been operating in the floriculture industry for more than 25 years. The active participation of MPS in both the IRBC agreement and the consortium for the development of the Environmental Indicator Crop Protection (EICP), allowed MPS to share knowledge and experience from both itself and its fellow IRBC agreement stakeholders. The final objective of that work is to achieve a unique tool, to be used nationally and internationally, that calculates the impact of the use of crop protection agents, both in horticulture and floriculture sectors, in the entire chain.”

Luisa Mealha Stigter,
Technical Specialist at MPS



INTEGRATING THE ENVIRONMENTAL INDICATOR CROP PROTECTION

“Natuur & Milieu greatly values responsible agrochemical management and has been promoting this through active participation in both the IRBC agreement and the Environmental Indicator Crop Protection consortium. We see the work of both initiatives as complementary and will build on the learnings from our research for the IRBC agreement to promote uptake of the EICP in the international floriculture sector.”



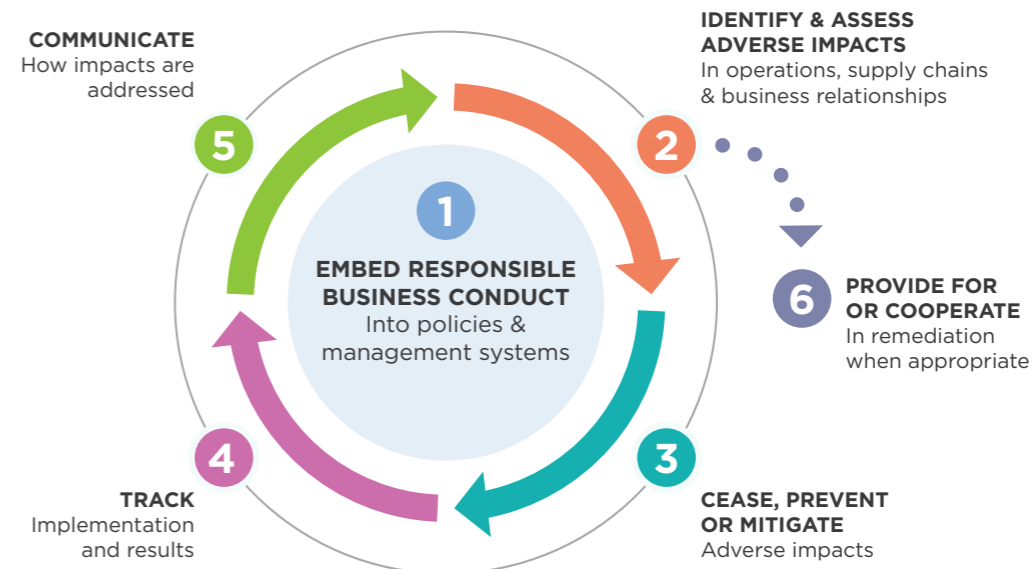
Berthe Brouwer,
Project Manager at
Natuur & Milieu

**NATUUR
& MILIEU**



3. Moving forward – Integration and scaling

Although the IRBC agreement consists of Dutch organizations, the scope is international. The blueprints and templates for good practice have been developed with a view of application by other supply chain actors worldwide. The IRBC agreement deliverables and recommendations are therefore ideally integrated into processes of other companies and into the international multistakeholder network of FSI. This would make the learnings common practices for members of industry as well as voluntary standards and CSOs.



I. DUE DILIGENCE

Recommendations for companies

The IRBC agreement has come to a step-by-step recommendation of the implementation of a due diligence process.⁴

- Integrate the code of conduct or other relevant policies into the organization's procedures by getting management buy in, actively involving co-workers (outside of the CSR department) and engaging and [communicating](#) with suppliers.

STEP 1

Embed responsible business conduct into policies and management systems

What it entails:

Create, integrate, and shares policies on responsible business conduct that articulate your organisations' commitments to the principles and requirements in the OECD Guidelines. These principles apply to your organization's own operations as well as its business relationships in the supply chain. These policies should therefore be part of an organization's management systems as well as its business relationships, so that they are a standard part of doing business.

What to do:

- Implement the [the IRBC code of conduct](#), update your existing policies based on it or develop a new policy based on it.

STEP 2

Identify and assess actual and potential adverse impacts associated with your organization's operations, products, or services

What it entails:

In this step an organization scopes all areas of the business, across its operations and relationships, including in its supply chains, where sustainability risks are most likely to be present and significant. Next, an organization should assess its involvement in the (potential) adverse impact (i.e. direct or indirect) and prioritize the most significant risks, based on severity and likelihood.

What to do:

- **Stimulate and facilitate:**
 - To inform the first steps in the scoping of an organization, refer to the [IRBC sector map](#) and [sector trade statistics](#) for a quick overview of the most substantial trade and production flows per country, as well as the salient risks in those country. The freely available online [MVO risk checker](#) also offers a very useful starting point.

⁴ Please refer to the full report with [recommendations for a due diligence action plan](#) for more detail.

- Use the [supplier self-assessment questionnaire](#) (SAQ) with suppliers that are certified under FSI requirements to (1) guide them in what they need to set up to become more compliant with the OECD guidelines or to (2) gather and aggregate their responses to identify general points of attention for suppliers in a certain area.
- Assess the severity and likelihood of the results from the SAQ and prioritize risks by determining (together with stakeholders) direct or indirect involvement of the organization. Develop targets for addressing the prioritized risks.
- **Work towards impact:**
 - Implement actions identified through the risk prioritization and – if needed – start small by prioritizing a specific region, product or even a business relation.
 - Ensure shared value for supply chain partners by defining what is in it for them
 - Change internal company processes to avoid certain risks

STEP 3

Cease, prevent and mitigate adverse impacts

What it entails:

Stopping activities that cause or contribute to adverse impacts on RBC issues, by developing and implementing plans to prevent and mitigate potential (future) adverse impacts. This can include continuation of the relationship throughout the course of risk mitigation efforts, temporary suspension of the relationship while pursuing ongoing risk mitigation, or disengagement with the business relationship. A decision to disengage should consider potential social and economic adverse impacts. These plans should detail the actions the enterprise will take, as well as its expectations of its suppliers, buyers, and other business relationships.

What to do:

- **Stimulate and facilitate:**
 - If both sustainability principles (step 1) and prioritized risks (step 2) are recognized by higher management, agree on Key performance Indicators (KPIs) for e.g. the procurement and

quality departments.

- Also discuss prioritized risks in collective settings such as FSI to determine overlap. In case of overlap, develop a collective protocol for monitoring interventions.
- **Work towards impact:**
 - Individual interventions: updating internal processes to accommodate due diligence. For example: making new standard price and supply arrangements, expanding the CSR department's capacity (FTEs, budget, authority & decision-making) to enable more support in the validation and guidance of business relations.
 - Collaborative interventions: Jointly address the prioritized risks. Start small to keep things pragmatic, focussing on e.g. a country, region, product or even business relation. Ensure mutual understanding and benefit for both ends of the relation.

STEP 4

Track implementation and results

What it entails:

Keeping track of the implementation and effectiveness of due diligence activities. In this step an organization monitors the measures it took to identify, prevent, mitigate and (where appropriate) support remediation of impacts. Use the lessons learned to improve future processes.

What to do:

- **Stimulate and facilitate:**
 - Individual intervention: If sustainability principles (step 1) and prioritized risks (step 2) are recognized by higher management and interventions have been made to cease, prevent and/or mitigate, agree on Key performance Indicators (KPIs) to monitor interventions. Make KPIs applicable to e.g., the procurement and quality departments.
 - Collective intervention: Align on KPIs collectively, for example through supporting the set-up of monitoring and reporting protocols in initiatives such as FSI.

- **Continuous improvement:**
 - Set-up or utilize existing contact with suppliers to review impact of interventions, using for example the self-assessment questionnaire for a structured conversation.
 - Engage with knowledge partners such as CSOs and collect and review data and research on sourcing regions to steer your processes with.
 - Use complaints mechanisms to signal potential adverse impacts

STEP 5

Communicate how impacts are addressed

What it entails:

Communicating externally relevant information on due diligence policies, processes, activities which an organization performed to identify and address actual or potential adverse impacts. This communication also includes the findings and outcomes of those activities.

What to do::

- Publicly report on due diligence processes as (part of) non-financial company reports, covering sustainability efforts an organization already has or intends to set up based on recent experiences. For guidance on “compliant”⁵ reporting, use:
 - The [IRBC floriculture reporting guidance and template](#), or;
 - The [OECD guidelines for responsible business conduct](#) (page 33) .
- Set up internal communication on due diligence, the accomplished results and future plans by e.g. setting up trainings, writing blogs, or sending newsletters.

⁵ Please note that neither the CSRD regulation, the EU due diligence legislation nor relevant guidelines such as GRI have been finalized yet at the time this report was published. The IRBC reporting guidelines therefore cannot yet deliver compliant reporting but do offer a basis which aligns with the most up to date developments of these anticipated frameworks.

UN CRITERIA FOR EFFECTIVE GRIEVANCE MECHANISMS

To ensure effectiveness, grievance mechanisms should be:

- ✓ Legitimate
- ✓ Accessible
- ✓ Predictable
- ✓ Equitable
- ✓ Transparent
- ✓ Rights compatible
- ✓ A source of continuous learning
- ✓ Based on engagement and dialogue

STEP 6

Provide for or cooperate in remediation when appropriate

What it entails:

When an organization identifies that it has caused or contributed to actual adverse impacts, it addresses such impacts by providing for or cooperating in their remediation.

What to do::

The following bullets summarize key points of the [grievance mechanism report](#), which we recommend everyone to refer to for more detailed recommendations.

Setting up a grievance mechanism:

1. Start local: Primarily, grievances from workers or affected communities are dealt with at the level where the grievance occurred, the 'local level'.
2. Make use of existing standards, national governments and/or producers associations
3. Bundle forces in (international) multi-stakeholder sector initiatives: in case grievances cannot be resolved in upstream levels of the supply chain, a company can utilize multistakeholder initiatives

Point of attentions for existing grievance mechanisms:

- Ensure that a company's sustainability policy, and internal grievance processes are in place and functional, to assess and handle complaints
- Ensure that grievance mechanisms are part of a code of conduct communicated to suppliers.
- Work with direct, important (high-risk) suppliers to ensure that access to remedy is arranged at their level
- Ensure that a grievance mechanism is gender sensitive.

Recommendations other stakeholders

Due diligence is primarily a company-driven process but substantially benefits from support of other stakeholders.

CSOs and Unions:

As a knowledge partner to- and (local) stakeholder of the floriculture sector CSOs and Unions can work together with companies to support due diligence per step:

- 1 Co-designing or reviewing principles, values and sustainability ambitions in policies or strategies.
- 2 Supporting the identification of risks by sharing observations (from the field) with companies, or by validating the results of a company's risk assessment and prioritization.
- 3 Offer (local) capacity in ceasing, preventing and/or mitigating risks, for example as co-implementing partner in a sustainability project.
- 4 Organizing knowledge sessions with companies, especially in the field of social issues [such as gender equality](#). This can include upcoming or running programs as well as lessons from programs that have been closed.



Women Win stakeholder forum for women's economic resilience in the floriculture sector: CSO support to build capacity on a range of topics from gender mainstreaming to gender responsive human rights due diligence.

Voluntary Standards and auditors

As key private sector partners for the verification of sustainability actions and their results, voluntary standards and auditors can play an important role in supporting due diligence. Per step of the due diligence cycle, recommendations are to:

- 2 Review the gap IRBC analysis of the OECD and FSI benchmarks, compare those gaps with the individual voluntary standard and – where relevant – address prevailing gaps by updating the code of practice to accommodate these (using recommendations in annex 2). Use FSI to discuss options for a collective way of addressing gaps and integrating the recommendations from the benchmark comparison in year 3.
- 2 Utilize sessions with companies that are being certified, or reviews of audit reports, to stay up to date with the most prevalent and salient risks, to determine ways to add value as standard by addressing them.

- 4 Build on the development of increased alignment in record keeping (e.g. FSI basket of standards - environmental scope) and apply record keeping requirements and principles to both environmental and social topics to enable certified companies to monitor, manage and communicate results of sustainability interventions.
- 6 Determine the role that can be played in (1) receiving complaints from the supply chain and/or (2) the process of escalation in case a plaintiff (staff) and the defendant (company) cannot reach an agreement.

Integration in FSI

Fortify the FSI Integrated reporting ambition for 2025 by adopting IRBC learnings and deliverables per related step of the due diligence cycle:

- 1 Adoption of the IRBC floriculture sector [code of conduct](#) as FSI recognized policy by January 2023.
- 2 Adoption and regular updating of the [IRBC sector map](#) and digital SAQ as recommended risk assessment tools. Refine tool and consider how it can also be used to support annual materiality request required by the EU CSRD. Also consider the use of existing risk assessment instruments such as the MVO risk checker or the SIFAV risk tool as a less maintenance-heavy alternative.
- 3 Utilize existing or new projects with members to test concept approaches in addressing e.g. living wage, gender equality or responsible agrochemical management.
- 4 Create 'living' monitoring protocols (covering environmental footprint, living wages and responsible sourcing). Update the protocols annually as (draft) legislation and related or relevant guidelines (e.g. GRI) become more concrete.
- 5 Adopt the [IRBC reporting template](#) for alignment with the anticipated due diligence criteria for upcoming legislation. Update the template annually as (draft) legislation and related or relevant guidelines (e.g. GRI) become more concrete.

- 6 Based on the IRBC [grievance mechanism report](#), further investigate and work out options of setting up a collective grievance mechanism for members, considering roles of standard owners and certification bodies, (local) governments, producer organisations and/or NCPs.

Above and beyond the individual steps in the cycle:

- Leverage the FSI basket of standards to ensure that standards all address OECD due diligence gaps and help deliver data that can be used for monitoring and reporting.
- Align with similar sector sustainability initiatives (e.g. SIFAV) to further scale aligned due diligence methodology and compliance.
- Engage with the International Trade Centre (standards map) and OECD to enable a formal recognition of how standards or FSI itself offers compliance with OECD guidelines.



II. LIVING WAGE

Recommendations for companies

The IRBC agreement has adopted the 5-step approach to living wage from the Living Wage Roadmap Coalition. The 5-step living wage approach has been gradually updated with insights from e.g. the living wage farm pilots as well as with insights from other sectors.

Preparatory phase

The first three steps in the approach can be defined as a preparatory phase, leading up to the identification of a living wage gap and underlying hotspots, opportunities, stakeholders, and priorities to take for addressing the gap.

1. Identify recognized and [available benchmarks](#) in your region
2. Inform relevant supply chain partners of your living wage objectives and – if relevant (e.g. if you are a trader or retailer) – ask them to complete the Salary Matrix. Provide them with the relevant supporting documentation and background materials.

3. Use the [IDH salary matrix](#) or similar tools to measure the living wage gap
4. Make use of the [salary matrix e-learning](#).
5. Engage with [recommended living wage verifiers](#) to ensure that you have verified and trusted measurements, but also in order to gain support in filling in the salary matrix. As with other sustainability data (e.g. carbon footprint measurements) this ensure the quality of data which buyers will require.

as [Eosta](#) (selling the first living wage mango's), [Fairphone](#) (adopting better purchasing practices) or [Nudie Jeans](#) (providing transparency).

Throughout the process – worker dialogue

Throughout the process, companies are strongly encouraged to facilitate worker dialogue and engagement to ensure a process that is supported throughout the organisation. [Worker representative's](#) offer one of the entries into worker dialogue.

Recommendations per stakeholder

Building on the above living wage approach, the results of the 2021 living wage farm measurement pilots and the intermediate results of the 2022 living wage supply chain pilots, the recommendations per stakeholders can be summarized as seen on the next page (table 3).

Integration into FSI

Fortify the FSI living wage ambition for 2025 by adopting IRBC learnings and deliverables

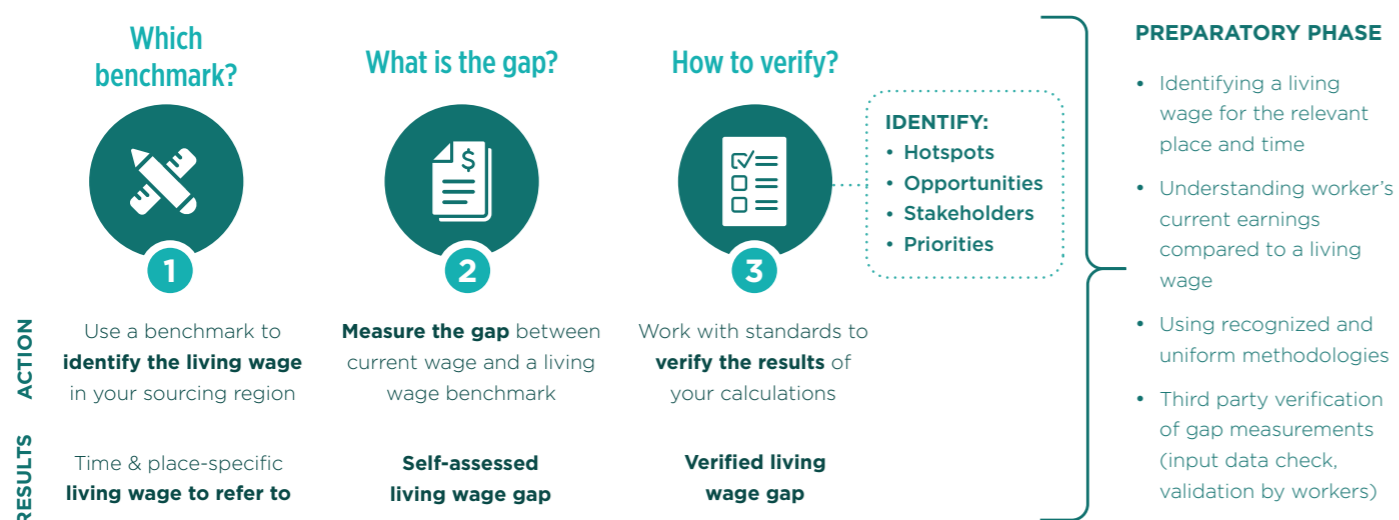
- Set-up a supply chain living wage project to further develop and test the opportunities which have been identified during the supply chain living wage project in year 3.

Testing and implementation phase

The fourth and fifth steps comprise the testing and implementation phase, during which organizations (collaborate to) address living wage gaps. As interventions will develop and refine over time, it is important to continuously share learnings and create a more level playing field.

1. Once you have the data on the living wage gap and identified hotspots, opportunities, and relevant stakeholders, establish shared frameworks with the key supply chain partners to work towards closing the gap, with concrete milestones. Make a public commitment.
2. Share learnings to inspire and help others, but also benefit from lessons from frontrunners such

FIGURE 4 PREPARATORY PHASE



- Adopt IDH salary matrix as preferred tool and set up concrete action plan to outline targets and expectations for measuring living wage and monitoring improvements, for example:
 - X% of production sites from producers have measured living wage gaps in 2023, with an X% increase in number of measurements in 2024 and 2025
 - X% of the supply from traders is sourced from farms who measured living wage gaps in 2023, with an X% increase of measurements in 2024 and 2025
 - Producers and traders report on living wage measurements and provide action plan for improvement from year X.
- Convene retail to set up a buyer's commitment in support of a living wage gap reduction, building on existing commitments⁶ or by bundling forces with similar initiatives.
- Leverage the FSI basket of standards to (1) scale minimum wage requirements (e.g. making the World Bank Extreme Poverty Line a minimum requirement) in countries without a legally established minimum wage and (2) create a mandatory and aligned way of performing wage measurements.

- Support standards in the FSI social basket of standards in becoming a recommended living wage verifier and adopting the salary matrix as recognized methodology for measurement of living wage gaps.








IDH and the Kenya Flower Council sign an MoU to ensure capacity and alignment in the measurement and verification of living wage gaps. As a living wage verifier, the Kenya Flower Council will be able to support its member farms as they measure their potential living wage gaps and work towards closing it, ensuring trusted and verified data.

FIGURE 5 TESTING AND IMPLEMENTATION PHASE



⁶ For example the [Dutch Banana Living Wage Commitment](#), or the [German living wage and living income commitment](#)

TABLE 3 LIVING WAGE ROADMAP WITH STAKEHOLDER-SPECIFIC RECOMMENDATIONS PER STEP

	Which benchmark? 	What is the gap? 	How to verify? 	How to take action? 	What can we learn from others? 
PRODUCTION	Select and use benchmarks for calculations	Measure gaps via salary matrix		Collaborate to develop & test solutions, e.g.: <ul style="list-style-type: none"> • Worker dialogue • Embrace transparency • Adopt better procurement and trading practices 	
TRADE & RETAIL		Support supplier in measuring gaps (e.g. inform about living wage & salary matrix)			Join / utilize multistakeholder initiatives such as FSI to share practices and learning on how the gaps can be reduced over time
STANDARDS			Become a Living Wage verifier, integrate and adopt salary matrix in code of practice Verify through guidelines		
CSO & SECRETARIAT	Facilitate increased availability of living wage benchmarks		Support standards in becoming living wage verifier.	Help set up and implement projects	Mobilize FSI groups for cross-learning Market commitment

 **III. RESPONSIBLE AGROCHEMICAL MANAGEMENT**

In terms of responsible agrochemical management, the members of the IRBC agreement have come to the following recommendation.

Safe use

Growers and scheme owners are recommended to integrate the most found best practices into their activities:

- Setting up incident evaluation meetings within 24 hours after an incident
- Making it standard to review incidents with management
- Setting up monthly inspections to revise action plans, perform regular risk analyses to be able to select the optimal PPEs and need-based trainings.
- Setting up trainings for every newcomer with specific attention for biological pest management.

Governments and producers of pesticides are recommended to support in the availability of PPEs and access to helpdesks and provision of training services. Biopesticide producers are recommended to analyse restrictions for roll out of products (demand, infrastructure, knowledge) and engage with government and other stakeholders to address shortcomings. By adopting the IRBC floriculture sector code of conduct, FSI would support the integration of the above recommendations into the due diligence process of its members.

Impact on the environment

Is it essential that the measurement of impact on the environment coming from PPPs is done in an aligned way in order to ensure the sector uses similar insight to collectively improve its performance.

- Companies and standards are recommended to keep up to date with the development of the EICP and support the 2.0 development phase where possible
- Standards are recommended to stay up to date and aligned with the environmental impact indicator crop protection, reviewing options to integrate the use of the tool to into their scheme once possible.
- FSI is recommended to adopt the EICP as recognized tool to measure pesticide environmental impact and, together with standards, use the methodology to monitor progress over time and towards the ambition of reducing impact in 2025.

Annex – Overview of website URLs contained in hyperlinks

IRBC agreement website:

www.irbcfloriculture.com

Due diligence:

- Code of conduct: <https://www.idhsustainabletrade.com/publication/irbc-agreement-floriculture-code-of-conduct/>
- Code of conduct explanatory flyer: <https://www.idhsustainabletrade.com/publication/irbc-agreement-floriculture-code-of-conduct/>
- Floriculture sector map: <https://www.idhsustainabletrade.com/publication/floriculture-sector-map-irbc-agreement-floriculture/?preview=true>
- Floriculture production and trade statistics: <https://www.idhsustainabletrade.com/publication/floriculture-sector-statistics/>
- MVO risk checker: <https://www.mvorisicochecker.nl/nl>
- Self-assessment questionnaire (SAQ): <https://www.idhsustainabletrade.com/publication/self-assessment-questionnaire-for-due-diligence-in-the-floriculture-sector/>
- Grievance mechanism report: <https://www.idhsustainabletrade.com/publication/setting-up-a-grievance-mechanism-irbc-agreement-floriculture-advisory-report/>
- Recommendations for a due diligence action plan: <https://www.idhsustainabletrade.com/publication/imvo-convenant-sierteelt-sector/recommendations-for-a-due-diligence-action-plan-nl/>
- Reporting guidance and template: <https://www.idhsustainabletrade.com/publication/due-diligence-reporting-guideline-and-template/>
- Integrated reporting Royal Lemkes: <https://online-touch.nl/royallemkes/annual-report-2021?html=true#/O/>
- OECD Guidelines for Multinational Enterprises: <https://mneguidelines.oecd.org/mneguidelines/>

- UN Guiding Principles on Business and Human Rights: https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf
- World Economic Forum Gender Gap report: <https://www.weforum.org/reports/global-gender-gap-report-2021/>

Living wage:

- Benchmark finder: <https://www.idhsustainabletrade.com/living-wage-identifier-tool/>
- Salary matrix: <https://www.idhsustainabletrade.com/living-wage-platform/salary-matrix/>
- Recommended and trained living wage auditors: <https://www.idhsustainabletrade.com/living-wage-platform/verifying-calculations/>
- Gap closing interventions: <https://www.idhsustainabletrade.com/living-wage-platform/closethegap/>
- Recommendations on engaging worker representation: <https://www.idhsustainabletrade.com/recommended-participation-of-trade-unions-and-workers-representatives/>
- Share project learnings: <https://www.idhsustainabletrade.com/living-wage-platform/insights/>
- Market commitment: <https://www.idhsustainabletrade.com/banana-retail-commitment/>
- Eosta living wage example: <https://www.idhsustainabletrade.com/publication/eostas-sells-the-first-living-wage-mangoes/>
- Nudie Jeans living wage example: <https://www.idhsustainabletrade.com/publication/putting-suppliers-in-the-lead-nudie-jeans/>

FSI:

- FSI strategy: <https://www.fsi2025.com/about/>
- FSI basket of standards: <https://www.fsi2025.com/basket/>
- Independent benchmarking process: <https://www.idhsustainabletrade.com/approach/benchmarking-of-standards/>

Government facilitation of due diligence:

<https://www.rijksoverheid.nl/documenten/rapporten/2022/06/13/uitvoeringsagenda-internationale-so-ciale-voorwaarden>

SHER Ethiopia website:

<https://sherethiopia.com/>

Environmental Indicator Crop Protection:

<https://www.wur.nl/en/project/environmental-indicator-crop-protection.htm>

Gender-Responsive Due Diligence Platform:

<https://www.genderduediligence.org/>



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