# **Code of Conduct** for the floriculture sector



The Code of Conduct is a code with 12 principles for international responsible business conduct in the floriculture sector, developed by the <u>IRBC Agreement for the Floricultural Sector</u> and adopted by the members of the Floriculture Sustainability Initiative. The <u>Code of Conduct</u> provides values and guidance for responsible business conduct in the floriculture sector. This flyer summarizes The Code of Conduct and explains how it serves as an important starting point for risk assessment and a tool to support a due diligence process.



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## How the Code of Conduct was developed

In 2019-2022, several leading FSI members collaborated with NGOs, trade union FNV and the Dutch government, and developed and signed the CoC as part of the International Responsible Business Conduct Agreement Floricultural Sector (the IRBC agreement). The main goal of the IRBC agreement was to work together towards a more sustainable floriculture sector. The CoC was then part of the handover to FSI and in 2023 integrated into the FSI members commitments.

#### 'Due Diligence' as main objective

One of the objectives of the CoC is to support companies with their so-called 'due diligence' process. Due diligence is about taking supply chain responsibility for human rights and the environment, about continuously evaluating, and responding to (potential) risks – both in your own business operations and in the ones related to yours. The focus is not on the risks for the company itself, but rather on the environment and the community in which the company is active.

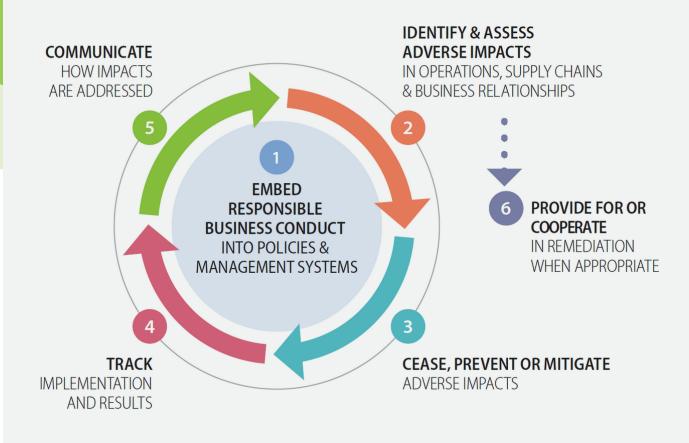
### Why is due diligence important for the floriculture sector?

Taking supply chain responsibility is increasingly required by law. Countries such as Germany, France and England already have due diligence legislation in place and the EU too is working on an EU-level CSRD legislation for mandatory due diligence. Almost all these legislative pieces adhere to the '<u>OECD Guidelines for Multinational Enterprises</u>' and the 'UN Principles for Human Rights and Business' as the basis.

# This Code of Conduct offers a starting point for due diligence

The due diligence process follows a cycle with 6 steps. The first step is to indicate for which principles an organization stands when it comes to responsible business conduct. With this, a company also indicates how it wants its supply chain partners to do business with them. To ensure that the floriculture adopts an aligned position as much as possible, this Code of Conduct serves as a logical first step. This Code of Conduct provides 12 principles for responsible business conduct. These principles are based on existing sustainability requirements (including OECD- and UNguidelines, legislation, and certifications) and have been adapted to the floriculture sector where relevant.





OECD due diligence cycle. Source: OECD (2018), OECD Due Diligence Guidance for Responsible Business Conduct

### How is the Code of Conduct used?

The Code of Conduct is part of the FSI members commitments but can also serve as a sector blueprint. It can be used to integrate responsible business conduct in the policies of a company and to communicate the principles for responsible business conduct to its supply chain partners (step 1 in the above figure). Doing so, a company will have a fixed set of principles to refer to for identifying, evaluating, and addressing potential risks and adverse impacts. As such the Code of Conduct is a tool to support continuous improvement, enabling a company to focus on preventing and mitigating the most urgent and common risks together with its supply chain partners.

How an organization integrates or communicates the Code of Conduct is up to that organization itself. This can for example be done by publishing the principles on the company website, but also by incorporating the principles of the Code of Conduct in agreements with supply chain partners.

The FSI members are endorsing and communicate the principles of the Code of Conduct. The use of the



Code of Conduct by other floriculture companies and sector stakeholders is strongly encouraged. By doing so, floriculture sector stakeholders show leadership and accountability and further contribute to responsible business conduct and prepare themselves for upcoming legislation and market requirements.

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