



Recommendations for building fairer, more sustainable and resilient flower supply chains in East Africa



Executive summary



This paper puts forward recommendations for building back fairer from the COVID-19 pandemic and creating a more sustainable and resilient flower supply chain in Kenya and across East Africa.

The recommendations are based on learning from the Building Resilience in Flower Supply Chains project – a partnership led by Fairtrade and MM Flowers to support workers during the COVID-19 crisis to meet their immediate needs, while also promoting a more sustainable flower sector to bolster long-term resilience.

About the project

Fairtrade and MM Flowers partnered with the Co-op, Coventry University, Food Network for Ethical Trade (FNET), Marks & Spencer, Partner Africa, Tesco, and Women Working Worldwide. It sought to reach over 6,000 direct beneficiaries through the provision of health packages, kitchen gardens, gender training, income generation support, and farm diversification and up to 150,000 indirect beneficiaries through a COVID-19 communication campaign. Its expected long-term outcome is that flower farm workers will be protected, and the flower industry will be fairer and more resilient.

This project is funded by the Vulnerable Supply Chains Facility (VSCF), a rapid COVID-19 response fund set up

by the UK Foreign, Commonwealth and Development Office, and managed by Mott MacDonald Ltd. The facility has partnered with 16 UK retailers supporting over 100 suppliers across Bangladesh, Ethiopia, Ghana, Kenya, Myanmar, Tanzania, and Zimbabwe to provide economic, social, and health benefits to around 1 million women and men direct and indirectly.

As part of this project, Coventry University and Partner Africa have conducted detailed research with suppliers, retailers, farm workers and farm management, into their experiences of how COVID-19 affected the flower sector in Kenya.

Coventry University conducted research into purchasing practices and consumer behaviour in the UK flower sector during the pandemic. Through the Centre for Business in Society (CBiS), they carried out qualitative interviews, held focus groups and co-ordinated stakeholder roundtables throughout the project to research the purchasing practices and decisions made by leading UK supermarkets in relation to their flower offer during the pandemic, which also included input from other key industry bodies. Coventry University also conducted thematic analysis of market research and literature relevant to consumer behaviour in the UK flower sector, as well as wider ethical consumption trends during the pandemic. This voice of business from retailers and suppliers is reflected in the chapters that follow on how the pandemic affected the

flower sector, the lessons learnt for future resilience, and the recommendations we put forward on how to build a more resilient, sustainable and fair supply chain.

In addition, Partner Africa, in collaboration with *&wider*, carried out worker voice and farm manager surveys to measure the impact of COVID-19 on these groups and Women Working Worldwide carried out research on the impact of COVID-19 on women and girls in Kenya and ensured a gender lens was applied across the project. Partner Africa also carried out a trade model survey among farm managers to provide insights into the experience of farms during the pandemic with regard to buyer relationships, farm management and worker support. This trade model survey showed there were some differences between Fairtrade and non-Fairtrade farms, but as our intention for this report is to present recommendations that are salient for the entire flower sector, we have used the aggregated data throughout.

Key findings

Even before the pandemic hit, the flower supply chain in developing countries was characterised by low wages, weak social safety nets, food insecurity and poor quality of water and sanitation. Without living wages, many workers lacked the savings required to bolster their resilience in the face of COVID-19 in 2020.

East African flower sales were hit hard. In the roundtables, retailers, suppliers and growers shared their experiences of reduced flower orders as basic goods were prioritised, with flowers classified as 'non-essential' in many markets. In addition, transportation costs increased as much as 400% when flights were grounded (flowers are often transported in the hold of passenger planes).

The effect on flower farm workers was severe. By the third week of March 2020, 30,000 temporary flower workers in Kenya had lost their jobs and 40,000 were placed on annual leave.¹ Women, who make up around half of the workforce, bore the brunt of the crisis.



Workers at Kongoni River Farm Ltd (K-Gorge) receiving health packs. The project distributed health packs to over 6,000 workers in December 2020 (Photo credit: Kongoni River Farm Ltd, VP Group Kenya)

According to a survey conducted by Partner Africa for this project, 65% reported that their household income had reduced in the six months leading up to May 2021. Only 28% reported their wages lasting the entire month. Many women were forced to take unpaid leave to look after their families when schools and childcare facilities closed.

More positively, buyers and retailers have reported very high demand from consumers at the beginning of 2021, and there has also been a significant increase in online sales. Challenges remain, such as increased running costs for farms due to PPE and social distancing, as well as the rising cost of living for workers due to commodity price increases in Kenya.

Learning lessons for future resilience

Beyond these immediate challenges, suppliers and retailers recognise the need to help flower farms to become more resilient to future shocks. One key lesson is that much more money needs to reach the start of the supply chain, in order to pay for the changes that need to take place, including better wages and conditions. Retailers, as well as suppliers and consumers, all need to pay a fairer share of value for the flowers they buy. It is a significant outcome of the project that a commitment to pursue a solution to this undervaluing has been established, along with a desire to continue stakeholder collaborations beyond the life of the project.

Building on discussions with suppliers and retailers at the roundtables hosted by Coventry University, the on the ground knowledge of Fairtrade Foundation and MM Flowers, the worker and farm analysis of Partner Africa, and gender research by Women Working Worldwide, this paper puts forward a number of recommendations to build back a fairer flower supply chain.

¹<https://hivos.org/assets/2020/05/Hivos-Rapid-Assessment-2020.pdf>

Summary of recommendations

Immediate priorities for 2021:

- **Buyers** (suppliers and retailers) **should seek to protect and nurture key, long-term relationships with farms**. As a priority, buyers should seek to protect existing grower relationships – by actively listening to farm management about the challenges they face.
- **Buyers** (suppliers and retailers) should commit to observing all fair/ethical trading principles, in particular by providing **sourcing plans covering at least six months** where possible, and sticking to agreed contracting terms.
- **Farm management** must ensure **wages continue to be paid in full**, with **minimum changes to contracts**, and to explore additional ways to support workers to cope with the increases to the cost of living in Kenya. This could include **free or subsidised food**, or providing **shared gardens** for workers to grow their own food.
- The **Kenyan government** should, as much as budgetary constraints allow, **improve social security systems** for workers, to aid the most vulnerable whose incomes have been reduced as a result of COVID-19, as well as **ensuring that labour and occupational health and safety legislation is enforced**.
- **Certifiers** should ensure that auditors resume on-farm visits as soon as possible (if they have not already restarted), and make use of complementary worker voice approaches, which have proven very informative and drawn attention to issues that have not previously been prioritised.

A British Covenant

- To address the longer term challenges facing the Kenyan and East African flower supply chain, this paper puts forward proposals for a '**British Covenant**,' similar to the Dutch Covenant for Responsible Business Conduct in Floriculture.
- In the retailer and supplier roundtables, participants shared their interest in establishing a British

equivalent that would address, in a comprehensive and collective way, the challenges facing the flower industry, and the contribution the UK can make to tackling them. Based on the findings of the roundtables and trade model research, we propose such a Covenant agree to **take action in four areas**:

1. **Emergency Preparedness** – identify, agree and implement measures to ensure flower farms are better able to absorb future shocks.
 2. **Living Wages** – to build on work already in progress and identify, agree and implement a comprehensive set of actions that members will take to increase wages towards living wages.
 3. **Climate Change** – to identify, agree and implement actions to help flower farms adapt to a changing climate in the coming decades, and to reduce the carbon footprint of flower farms and transportation into the UK.
 4. **Gender Equality** – to build on existing work and identify, agree and implement actions to tackle gender inequalities on flower farms and empower women.
- The project leads, Fairtrade and MM Flowers, propose hosting a roundtable discussion in 2021 with interested stakeholders to begin talks towards a British Covenant. The meeting would explore hopes and aspirations participants would have for such an initiative.
 - If agreement is reached to set up such a body they would facilitate the establishment of a Working Group of interested parties tasked with drafting an Agreement.

The proposals put forward in this paper are ambitious, and will require time and resources from all stakeholders if a British Covenant is to be established. This project may be at an end, but our work is only just beginning. It will not be easy, but the reward for the hard work ahead will be a world in which flower farm workers and their families live a life of dignity.

How the COVID-19 pandemic affected the Kenyan flower supply chain



Inspecting roses at Sun Floritech Ltd

In this section we draw upon feedback from the roundtables with retailers and suppliers hosted by Coventry University,² as well as the findings of the worker and farm management surveys carried out by Partner Africa, in collaboration with *&wider*, on how the pandemic affected flower farm workers, and the disruption it caused to the flower supply chain.

To begin with, it is worth noting that even before the pandemic hit, the flower supply chain in developing countries was characterised by low wages, weak social safety needs, food insecurity and poor quality of water and sanitation. Without living wages, many workers lacked the savings required to bolster their resilience in the face of COVID-19 in 2020.

East African flower sales were hit hard. In early March 2020, as the pandemic swept through Europe and led to nationwide lockdowns, retailers reduced their flower orders to prioritise basic goods – with flowers classified as ‘non-essential’ in many markets – understandable given the panic buying that characterised the first lockdowns, but nonetheless extremely damaging for flower farm workers. In addition, since flowers are often transported in the hold of passenger planes, when these

flights were grounded, it became impossible to transport the flowers. In addition, governments banned public gatherings, including weddings, and limited funerals, which may ordinarily feature flowers, further diminishing demand and reducing sales opportunities. At the roundtables, participants discussed how FloraHolland auctions were hit hard with revenues down 85% in March 2020.³

They were really struggling to export when passenger planes stopped and there wasn't really any available freight and then the cost of that freight, essentially being impossible to afford. And then slowly moving into a scenario where COVID hit Kenya and workers weren't allowed on site in the same way and so productivity down was very low.

– a UK retailer

The falling sales took their toll on a sector already operating on very narrow margins. Export costs increased due to high airfreight costs (in some cases by 400%) following the collapse of flights (passenger planes were cancelled and cargo planes diverted to more lucrative routes).

² Quotes in this document have been anonymised from the interviews, focus groups and roundtables conducted as part of this research, with all roundtables conducted under Chatham House rules

³ <https://www.npr.org/2020/03/25/820239298/netherlands-huge-flower-sector-wilts-as-coronavirus-hurts-business?t=1621763311624&t=1623072064242>

With terrible timing, adverse rains caused the spread of a fungus called botrytis, at a time when it was difficult to tend to flowers to stem the spread.

People were panic buying. And everybody was buying crazy amounts of flour and toilet paper and all those other things. And when you're panic buying you obviously didn't think about picking up a bouquet of flowers.

– a UK retailer

The Kenya Flower Council estimated that it was losing around \$300,000 a day in March 2020 due to the economic impact of the COVID-19 pandemic.⁴ Flowers are a perishable, fresh product and with no storage options the immediate loss of sales saw vast quantities of blooms destroyed across the supply chain. In addition, there were reports that some retailers broke contracts and cancelled orders.

We went about 40% down in the first week... it's Mother's Day, it's Easter, it's all those kind of things. So, to lose that kind of sale at that time of year is pretty critical

– a UK retailer

Fairtrade Africa estimated that as many as 90 percent of all workers in Kenya were affected by reduced pay, unpaid leave or loss of jobs. The impact was felt across the country, where the flowers sector employs 150,000 people directly and an estimated 2 million indirectly. By the third week of March 2020, 30,000 temporary flower workers in Kenya had lost their jobs and 40,000 were placed on annual leave. Women, who make up around half of the workforce, bore the brunt of the crisis. Schools and childcare facilities closed, forcing many women to take unpaid leave to look after their children. Flower workers are particularly vulnerable to acute food insecurity as earnings are low. Another particularly vulnerable group are migrant labourers, who live a hand-to-mouth existence; without wages and with no savings, they suddenly had no way of paying for food. While earnings crashed, food prices, fuel and transport costs inflated, and together with the lack of school meals, people struggled to feed their families.

In addition to these material impacts, workers also shared with us the severe mental health impact of the crisis. This project delivered a COVID-19 awareness campaign on local radio in February and March 2021 in which flower workers shared how they were finding the pandemic, with job losses, financial stress, and uncertainty about the future frequently mentioned.



As part of the project's COVID-19 awareness campaign, programmes and adverts were broadcast on Radio Amani in February 2021

Providing adequate PPE and other essentials to workers was a huge challenge. As late as June 2020, farms were still not able to replenish some of the sanitary essentials such as face masks on time. Even though the hygiene essentials were distributed to workers, this did not mean that their families were able to access such essentials.

In East Africa, exports started to pick up in May 2020, rising gradually to 65% from only 20% in April. They were projected to be at 80% by the end of 2020.

People really want flowers. And I suppose when they can't do much else, they start thinking about beautifying the home. Putting flowers into the home to cheer everything up, bring joy.... So it's been fantastic... volumes increased and sales increased.

– a flower exporter

Much more positively, buyers and retailers have reported very high demand from consumers at the beginning of 2021, particularly for both Valentine's Day and Mother's Day, while the trend towards 'wellness' amongst consumers is also believed to have increased demand for flowers and plants. In addition, retailers and florists offering online purchasing have seen a notable increase in online sales of flowers (as with many other products) since the start of the pandemic. Online sales offer an enhanced opportunity to communicate with customers about the ethical and sustainability stories of flowers, as in-store these opportunities are limited by lack of physical space and small labels. Furthermore, there has been a movement into higher price points, while there has been an emphasis on the purchase of flowers for improved mental health and wellness by the public.

⁴ <https://www.aa.com.tr/en/africa/kenya-s-flower-industry-dying-due-to-covid-19/1782378>

We've never had such a busy Mother's Day... What we did not bargain for was the value of the orders. We've never had a [request for a] £200 bouquet before... it takes a lot of flowers to put in a £200 bouquet! So we ran out of flowers on Sunday.

– a UK florist

Encouragingly, a study by Ethical Consumer showed that Fairtrade sales (across all products) increased 13.7% between October 2019 and October 2020, and that 28% of people plan to purchase Fairtrade in the future, compared to just 15% pre-pandemic, suggesting demand for ethically purchased flowers could be set to rise further.

However, challenges remain. Where workers returned to flower farms in 2020, there have had to be limits on the

number of workers on the farms at any one time for social distancing reasons. This means that many of those workers who did return to work, only did so on a part-time basis. This also hurt production numbers, meaning these farms struggled to meet demand for their flowers.

While airfreight costs came down as the year progressed as more flights became available, it was still more expensive to transport flowers than it was pre-COVID. Airfreight costs will remain high until passenger flights between Kenya and Europe return to normal capacity. Furthermore, flower farms have continued to face considerable increases in cost, including the costs associated with providing adequate PPE and other essentials. As we will see in the next section, flower farm managers who participated in surveys for this project expressed concerns that these ongoing issues, including increased costs, could lead to job losses in 2021.

How project partners responded to the crisis

Fairtrade

'We quickly adapted the Fairtrade Premium to allow it to be spent rapidly on direct cash distributions to workers, for PPE supplies or to distribute food. This benefitted more than 17,000 flower workers across 30 farms. Over half a million euros have been distributed as support to workers to buy food, health equipment, and helped cushion the reduction of wages during a critical time. It has been a time in which many workers not only suffered a loss of earnings, but also had to support more family members than normal.'

In addition, flower farms were a large beneficiary of the Fairtrade Producer Relief and Resilience Funds which were launched in May 2020 and are now more than €15 million in size, thanks to support from donors.'

MM Flowers

'At MM Flowers we undertook some immediate commercial actions to support our growers, their workers and our own business. We reorientated our model from a business primarily built to supply physical retail stores to one focused on the dot com/home delivery network. Secondly, with the support of some high street retailers, and despite the pressure retailers were under to deliver 'essential' goods such as pasta and toilet rolls, we continued to supply a reasonable volume of flowers. Thirdly,

again in conjunction with our retail partners, we rationalised the ranges to ensure that we could import and process efficiently as we adapted our physical building to allow for social distancing and one-way systems.

We worked tirelessly with our customers to explain the situation on the ground and how important it was for the whole flower industry to keep even fairly modest amounts of flowers moving.'

Co-op

'In the increasingly uncertain world we live in, collaboration and partnerships has been the very heart of our approach and the need for this has never been more evident than in our response to the Covid crisis. In June 2020, we launched Co-op's **Global Wellbeing Charter** to provide close to £1m in monetary support to help support global projects through the Covid-19 emergency. The Charter sets out our commitment to supporting Fairtrade producers, upholding workers' rights, providing humanitarian support and access to clean water and taking action on climate change. As an industry we need to co-operate for change at scale to address the challenges that face people and planet in the food system, the *Building Resilience in Flower Supply Chains* project is an impactful example of co-operation so these commodities, environments and communities exist for future generations.'

Coventry University

'Our researchers at the Centre for Business in Society (CBiS) have been investigating sustainability in the cut-flower market for over a decade, and the industry stakeholder group we have developed played a **central role in the forging of this project**.

Our response to the pandemic has been to contribute data, analysis and potential solutions to both the immediate negative impacts of COVID-19 and the longer term changes needed to secure more resilient and sustainable supply chains that benefit all along the chain. This has included conducting 17 qualitative interviews with key industry figures, two focus groups with growers and five roundtable discussions with major UK retailers, as well as thematic analysis of relevant media, industry and academic publications and marketing data throughout the pandemic. The results of this research inform this paper and will also be published in more detail via our project website [here](#).'

Marks & Spencer

'At the start of the pandemic, we scheduled 1-1 calls with suppliers in our Food supply chain to understand how they were managing labour, health and safety and working hours on site. We provided information to support suppliers throughout COVID-19, sharing best practice and highlighting where the risks would be. This resulted in publishing a UK and International Supplier Update.

We used the nGaje tool with protein suppliers, so that we could hear directly workers speaking about their experience of working in factories during the pandemic and the questions they had in relation to COVID-19. We sponsored and actively contributed to the COVID-19 Autumn/Winter 2020 Guidance for Food, Horticulture and Agriculture website. The website is specifically designed to provide the latest practical tips, guidance, tools, and case studies to help businesses in the food, agriculture, and horticulture industries to better manage risks.'

Tesco

'The pandemic has required collective action and robust partnerships to ensure all workers, especially women, are protected during the crisis and beyond. Our commitments have included:

- Partnering with FCDO in key projects across East Africa and Bangladesh to ensure workers are supported during the pandemic.
- Ongoing workshops with suppliers to manage risks amplified by the pandemic and sharing best practice to ensure workers are protected.
- Tesco together with IDH – The Sustainable Trade

Initiative and Unilever are investing €2M in the Women Safety Accelerator Fund (WSAF) to create a safe and empowering workplace for women workers.

- Supporting the Ethical Tea Partnership's Relief Fund for vulnerable workers and communities in key tea sourcing countries.
- Worked with *&wider* – a worker voice tool – so we could hear from workers directly about how they were impacted by the pandemic.'

FNET

'During the COVID-19 pandemic, we have supported our members in the following ways:

- Daily and then weekly COVID-19 email updates covering risks, resources, reports, news headlines and sources of guidance and information – from March 2020
- Bi-weekly all member calls to discuss current outbreaks, risks and member concerns – from April 2020
- Partnership with UK retailers and the Association of Labour Providers to run eight COVID-19 webinars dealing with COVID-19 and the impact on workers
- Member co-development and sharing of supplier guidance and small grower guidance and FAQs on COVID-19 covering health and safety, worker management and wellbeing questions
- COVID-19 country-risk resource developed with support from Ergon, M&S, Sainsbury's and Tesco
- Weekly country COVID-19 prevalence updates supported by Anthesis
- Monthly border restrictions and lockdown updates for Europe
- Member input to DEFRA on international supply chain challenges
- Member input to Sedex on modular COVID-19 SAQ.'

Women Working Worldwide

'Our response to the pandemic has been to continue to highlight the unequal impact COVID-19 has had on women and for those working in undervalued jobs in global supply chains. The issues faced by the workers on the Kenyan flower farms are endemic and COVID-19 has merely highlighted and exacerbated existing inequalities. We will be working with others to address ways we can tackle these issues such as living wage, gender sensitive grievance procedures and leadership programmes. Details of our work on this project can be found at <https://www.women-ww.org/resilience-in-kenyan-supply-chains>.'

Overview of the research findings



Packing blooms at Panda Flowers Ltd.
Photo credit: Remo Naegeli for Fairtrade

As part of this project, Partner Africa, in collaboration with the worker voice organisation *&wider*, Women Working Worldwide and Coventry University have conducted detailed research with farm workers, farm management, women, suppliers and retailers into their experiences of how COVID-19 affected them and the flower sector. The findings of the Coventry University and Partner Africa research is reflected throughout this paper, but this section outlines some of the key findings from the farm worker and farm management research in more detail, and a summary of the Coventry University research. The trade model survey showed there were some differences between Fairtrade and non-Fairtrade farms, but as our intention for this report is to present recommendations that are salient for the entire flower sector, we have used the aggregated data throughout. Further exploration of the impact of COVID-19 on the comparative performance between different trade models would be productive and is to be encouraged. The methodologies for the three pieces of research are outlined in the **Annex**.

Worker voice survey

Partner Africa carried out worker voice and farm manager surveys to measure the impact of COVID-19 on these groups. Below are the key findings from the May 2021 surveys.

Livelihoods and food security

A key focus of the research was whether workers felt their livelihoods are protected and secure. We asked workers *One year from now, do you think you will have a job or jobs that earn enough to support you and your family?* 64% answered yes. And on-site interviews found COVID-19 has impacted workers' feelings of security. **65% reported that their household income has reduced in the last six months.** Reasons given included reduction in salaries at the start of the pandemic and fewer customers for those with alternative businesses. The survey showed **only 28% reported their wages lasting the entire month.** The majority of committee members interviewed, which included Gender Committees, Fairtrade Premium Committees or Worker Welfare Committees, believed that workers were now worse off than before COVID-19 due to the rising cost of living and salaries not rising at the same level.

20% of workers indicated earning money from additional sources in the survey. There was a higher rate of those interviewed indicating that they earn money from additional sources. These included (in order of popularity): dairy farming; sugarcane/maize farming; poultry farming; carwash business and charcoal selling; motorbike transport (boda-boda); small snacks business. Some of the workers had started their businesses within the last year in direct response to COVID-19.



Workers at Kongoni River Farm Ltd (Star) are trained on income generating activities. The project trained 170 workers on income generating projects and financial literacy

Only 35% of workers felt they have enough food to comfortably feed themselves and their family every week. The only farm to have maintained a similar percentage from the baseline was the farm where many workers received support to develop kitchen gardens. The most widely cited reason for less food availability during interviews was increasing costs. This is reflective of wider studies and media reports indicating the exorbitant commodity price increases in Kenya.¹⁰ The rising cost of living is also hitting lower income earners and Kenyans in rural areas the hardest.¹¹

26% of workers report that they access food from farm gardens, which are used to provide lunch for workers, and **only 29% from their own kitchen gardens, indicating that workers are reliant on income to purchase food.** However, the majority of workers interviewed said that the farms had provided them with some food support during the COVID-19 pandemic, such as free breakfast and lunch at most farms as well as provision of food packages during peak COVID-19 times such as maize flour, rice, cooking oil and sugar.

Flower farm jobs

Stable income from flower farm jobs is central to workers' livelihoods. To understand experiences with contract changes since the baseline survey, we asked *In the last six months, has the agreement that you have with your employer about when you work and how much you work changed?* **33% of workers reported that their contract had changed in the last six months,** a reduction of 5% since the start of the project. During the on-site interviews, 9 of 21 workers indicated that their contract had changed since the start of COVID-19 and seven indicated their salary had reduced (by up to half) at the start of the COVID-19 crisis for a period of up to six months.

However, workers indicated that salaries have now been increased back to normal or above previous salary levels as a result of the collective bargaining agreement, with all 21 workers saying they are not paid less now than they were prior to COVID-19. The end-line survey showed 70% of workers reported they now earn what they used to six months ago, which indicates that for most workers, no more wage reductions have taken place.

Worker representation

The research found that worker representation, such as a worker committee or union, was important during COVID-19. **72% reported that a worker representative structure had been useful to them since the start of COVID-19.** This was reconfirmed during the field visits, as all of the 21 workers interviewed on-site indicated that a worker representative structure had been useful to them during COVID-19. The most common examples were communication with management.

In addition, three workers specifically mentioned the Fairtrade Premium committee and their role in providing funds for workers to pay their children's school fees. All of the workers indicated they feel safe talking to worker representative structures and that they will support them with any grievances.

All of the committees indicated that they had taken on extra responsibilities because of COVID-19, such as distributing masks, sanitiser and food packs and most had undertaken new needs assessments for workers. During interviews with farm managers and HR representatives, all stated that they had engaged more with worker representative committees since the onset of COVID-19 and that the committees had been helpful to them.

Both workers and managers indicated that trade union representatives were crucial during this time. All union representatives reported that management had included them in any decisions on contract/wage changes.

Gender

Gender dynamics on farms was also included in the research. During on-site interviews, 19 of 21 **workers (90%) indicated that no group of workers had been treated differently from other workers (including women) during the pandemic.** Three workers that did indicate that women were treated differently stated this was for positive reasons, such as extra support for pregnant and lactating women. The gender committee at each farm also confirming that to their knowledge, there had been no negative discrimination against women during the COVID-19 period.

¹⁰ <https://www.statista.com/statistics/1170630/share-of-households-experiencing-change-in-food-commodity-prices-in-kenya>

¹¹ <https://citizentv.co.ke/business/kenyans-in-rural-areas-face-the-highest-cost-of-living-8871995>



Workers, including Gender and Health and Safety Committee members, at Kongoni River Farm Ltd (K-Gorge) take part in training of trainers on COVID-19 awareness and prevention, with an added gender lens, and are introduced to the 'Practical Gender Tool Kit' developed by the project. (Photo credit: Kongoni River Farm Ltd, VP Group Kenya)

In the survey, we asked *Do you feel able to challenge your supervisor if someone is being unfairly treated?* The end-line results indicate that 66% feel able to challenge their employer if they witness unfair treatment, compared to 74% at the baseline survey. This decrease may reflect the job insecurity felt for so many months. However, as with the baseline findings, the percentage of women answering yes is in-line with the demographic split, indicating that women may feel just as comfortable as men in challenging negative behaviour.

COVID-19

Another key focus of the research was workers access to resources and information to protect themselves from COVID-19. 85% of workers indicated that they had protective gear (like face masks, hand gel and soap) to avoid getting infected with COVID-19. **All of the workers interviewed on-site indicated that they had been provided with health kits and reusable masks and that they use them.**

We asked *Do you know what signs to look out for if you think someone has COVID-19?* The response across farms was high, with 79% indicating that they understand the symptoms of COVID-19. The majority of the workers interviewed onsite confirmed that they had heard radio shows on COVID-19 health and nutrition, and all confirmed that they had seen posters on their farms about COVID-19, which had improved their knowledge of COVID-19.

30% of workers reported that they would avoid someone who had fully recovered from COVID-19. This indicates that there may still be stigma and confusion around the facts of COVID-19 contraction.

Flower farm resilience

While change, shocks and stresses are uncertain and unpredictable, efforts to improve flower farms' resilience – understood as their ability to prepare and plan for; absorb and recover from; and successfully adapt and transform in response to adverse events – should focus on fostering adaptive farm management practices intended to cope with surprise. An interesting finding from our survey with farm managers engaged with the VSCF project is when asked how prepared they felt as a business to deal with the COVID-19 pandemic **prior to the outbreak, 38% reported low levels of preparation**, 50% medium levels and 13% high levels. **By October 2020, farms reported these levels of preparation had increased to 75% of medium level** and 25% as high level, and in **May 2021 a further increase to 45% medium level and 54% high level.** This shows a positive trend that farm management practices are improving with regards to resilience as a result of the experience of COVID-19.

Flower farm trade model survey

Partner Africa also carried out a trade model survey (during October – December 2020) among farm managers to provide insights into the experience of farms during the pandemic with regard to buyer relationships, farm management and worker support. In the context of this report, the term 'buyers' was used as a catch all for buyers in the supply chains (suppliers, wholesalers and retailers).

Buyer relationships

Almost half (45%) of the farms in the study experienced a change to their contracting terms imposed by their buyers in the six months prior to the survey.

Farm managers were asked the ways in which buyers supported them throughout the pandemic. **Flexibility with the delivery of orders (87%), increased communication (84%), and timely payments (77%) were top, but only 26% cited support (funding or equipment) for health and safety measures or PPE,** or funding for worker support (food packages, income support). Asked how they would have liked to have been supported, perhaps unsurprisingly, health & safety/PPE and worker support came top of their concerns. Farms also reported that they had experienced cancelled purchase orders and changes to contracting.

Farm management

Impacts on farms

Just under a quarter of the farms surveyed reported that their operations are still running as normal, but almost two thirds of respondents are running at a reduced capacity. **79% reported reductions in workforce, and 52% reported increased operating expenses.**

¹² NB Fairtrade Hired Labour Standard 3.5.9 states that overtime (defined as over 48h/week) cannot be required from workers on a regular basis. https://files.fairtrade.net/HL_EN.pdf

Measures taken in response

55% of farms have negotiated with the remaining workers around contract changes, and 48% of them have reduced workers' hours or enforced holiday leave. One farm even continues to keep a third of its workforce on rotational unpaid leave. In comparison, 39% of farms have reduced the pay of managers and senior executives.

Risks to workers

The research has supported the picture that has been seen elsewhere across the industry – not only that casual workers who are hired in a regular season will not have been hired in 2020, but that a significant proportion of permanent workers have either been laid off, had their hours cut, or been forced into paid and unpaid leave. This risk remains significant for those who remain employed in the sector – especially as farm managers reported that they expect to make further workforce reductions during 2021. Furthermore, the adaptation of working practices due to COVID-19 may present a long-term risk to livelihoods at flower farms, where the need to socially distance workers has led to reduced working hours and plans in the long term to reduce the workforce permanently.

In addition, the survey also highlighted other risks to workers, including: the delayed payment of wages; less favourable contracts; forced labour in instances where overtime is deemed mandatory;¹² reduced opportunities for diversification of livelihoods as projects have been paused; and lack of access to facilities such as water and sanitation and the closure of schools.

Looking ahead

Farm managers cited increased operating costs for farms as a result of COVID-19 measures as the most widely expected difficulty for 2021. A reduction in opportunities to meet new customers – and thus build business and boost demand and sales for their flowers – was the second biggest concern.

When this survey was taken (October – December 2020), 67% of the farms expect to reduce their workforce during 2021.

The rebound in sales around Valentine's Day and Mother's Day, mentioned in the previous chapter, means that fortunately, the third wave of COVID-19 being experienced by many countries has in some cases not brought to fruition farm managers' fears of orders continuing to reduce – so far.

Workers and worker support

Gender

While **almost all farms in the survey have a gender committee** only half offer training to support women's mobility in the company, and **58% said they are attempting to eliminate the gender pay gap.**

Livelihoods

The survey results tell us that just over **three quarters of farms are providing free or subsidised meals for workers, and almost all farms are providing housing allowances.** Two thirds are providing free or complimentary transportation.

Wages and benefits

81% of the farms surveyed declare that they are paying workers above the Kenyan minimum wage. However, as workers in the worker voice survey shared, farm managers reported that **rising costs of living** during the COVID-19 pandemic have been a significant difficulty for workers.

Freedom of association

Freedom of association holds a particular significance at a time of retrenchment by farm management – when business continuity requires redundancies; renegotiation of workers' contracts; retraining and/or redeployment; or changes to working hours or working conditions.

100% of respondents report that they provide a workers committee, and at 100% of farms in the survey workers are able to join a trade union.

Fairtrade farms are engaging with workers to decide where Premium funds for worker/community projects should be spent.

Water and environment

Nearly all farms are using water usage monitors, and 71% are collecting and storing rainwater and flood water.

Research into purchasing practices and consumer behaviour

Coventry University utilised a mix of methods to investigate changes and challenges in the buying practices of UK retailers and their impacts at different stages of the pandemic, and to track changes in and drivers of consumer behaviour during this period. Secondary data gathered by Coventry University tracked responses to the pandemic and reports of its impact as it unfolded (including insights into retail trends and projections during the pandemic). Specialist market research outputs accessible via University-owned licences were accessed in order to capture insights into retail trends and projections during the pandemic. Coventry University also reviewed academic research focused on changing consumer behaviour in the last year, especially where it relates to ethical criteria in purchasing decisions. The findings of this research are embedded in the following chapters of this paper: How the COVID-19 pandemic affected the Kenyan flower supply chain; and Learning lessons for future resilience.

Coventry University also gathered data on purchasing practices through key informant interviews, focus groups

and buyer roundtables. This primary data is embedded throughout the report in the form of quotations from retailers and suppliers.

Five buyer roundtables were held with retailer and supplier participation between November 2020 and May 2021, chaired by Coventry University. The first two sessions focused on how flower sourcing was affected during the first and second waves of the pandemic. During the second session, insights were shared from across the supply chain including at farm and supplier levels to understand how the entire supply chain was affected. Retailers shared how demand for flowers fluctuated (with an initial drop in demand when lockdowns were first announced in Europe followed by a sustained period of restored demand), how they adapted quickly to a focus on online sales (where possible) and communicated with suppliers to try to manage the changing situation.

In the third roundtable, the focus moved onto understanding how value is distributed across the supply chain. Buyers were asked to share barriers faced in implementing

sustainable sourcing practices, including resolving underpayment in the supply chain. The main barriers are summarised as follows. Resource and internal structure can act as a barrier, for example ethical team agendas can differ from commercial buying agendas while resource can limit capacity to pilot or create new solutions. Prioritisation of commodities is another barrier, as flowers are seen as a 'non-essential' good and often come behind other products, especially ones we consume. Finally, the competitive landscape means that there is a first-mover disadvantage when it comes to making such changes and products are of course price-sensitive.

During the fourth and fifth roundtable sessions, the group focused on ways to overcome these obstacles. One of the outcomes of these sessions was that the group decided to explore a British Covenant for sustainable flowers. The outline of a British Covenant in this paper emerged directly from these discussions. The group committed to continue to jointly pursue building more resilient and sustainable flower supply chains, including exploring a solution to undervaluing in the supply chain.

Lessons for future resilience



A worker from Valentine Growers Co. Ltd

The pandemic has exposed just how vulnerable many of the world's agricultural supply chains are to external shocks. It has also underlined just how precarious the livelihoods are of many of the world's farmers and workers – without living wages, many lack the savings required to cope.

Creating a fairer, more sustainable and more resilient flower supply chain is not just the right thing to do – it also makes sound business sense. The interdependence between flower farms, their buyers and retailers provides the clear business case for buyers and retailers to help flower farms to absorb the shock caused by the pandemic and adapt in its wake. Doing so will ensure reliable flow of the products their consumers demand.

While change, shocks and stresses are uncertain and unpredictable, Partner Africa's research for this project recommends that efforts to improve flower farms' resilience should focus on fostering adaptive farm management practices intended to spread the risk and cope with surprise.

Improving flower farm resilience is not something that farm management can do on their own, however. Much more money needs to reach the start of the supply chain, in order to pay for the changes that need to take place, including better wages and conditions. The entire supply chain, right up to the consumer, needs to pay a fairer

share of value for the flowers they buy. It is a significant outcome of the buyer roundtables that a commitment to pursue a solution to this undervaluing has been established, along with a desire to continue stakeholder collaborations beyond the life of the project.

Where there's no contractual obligation to keep sourcing the products, the customer can just turn the tap off, it just stopped. And that's when you do get these the significant issues and where it is such a vulnerable supply chain... from an income perspective and cash flow for growers, it is just shocking.

– a UK trader

Buyers and retailers also discussed the need to adhere to **fair trading practices**. These incorporate: the design and implementation of financial **contracts** between different stakeholders in the supply chain, including timely payments, no cancellations or other changes in order volumes, sufficient notice given for orders; agreed assurance and certification processes; **good communication**; support for CSR interventions; mutual support within wider industry forums and government lobbying.

We've trialled a few kinds of new approaches in terms of how we communicate with farms. And actually, I think that will probably carry on a bit more. I mean, it's been quite effective, being able to have some quick discussions with worker committees via WhatsApp.

– a UK retailer

There is a role for governments too. The next chapter puts forward a proposal for the UK Government to support a new multi-stakeholder initiative on flowers that brings the UK flower industry together to tackle the long-term challenges facing the industry. Governments in floriculture supply economies, meanwhile, need to review and improve the support they give to flower farms and flower workers in future crises too. Research for this project reveals that less than 10% of farms surveyed in Kenya were accessing government support to fund their response to COVID-19.

[The pandemic] brought our leaders within the business to the forefront on the issue of sustainability – we find that there's a lot more public platforms, where senior leaderships are taking definitive positions on the issue of sustainability. We've had some of our directors, as well as our CEOs, making public commitments around quite ambitious targets. Something that resonated with us, from a director giving that kind of commitment, it was really refreshing to see.

– a UK retailer

Climate change

Discussions on the future resilience of the flower supply chain for this project also included the need to address the impact of climate change. Flower farms will not only have to adapt to a changing climate – they will also come under

increasing pressures in the years ahead to shift to low carbon production and transportation as demands to reduce rich-world consumption grow in the coming years. This pressure will come from governments (through regulatory changes, such as carbon taxes or Human Rights and Environmental Due Diligence (HREDD) requirements) and shoppers alike – public support for tackling climate change is increasing, while research for this project suggests that the pandemic saw an increasing interest from consumers in 'local' flowers.

Studies suggest that flowers grown in Kenya have a lower carbon footprint than those grown in greenhouses in Europe, even though they are transported by air. Indeed an assessment of Fairtrade roses showed that Kenyan grown roses have a carbon footprint 5.4 times lower than those grown in Dutch greenhouses.¹³ Some flower farms are already taking measures to become more sustainable, such as by reducing water use or the use of solar panels.

Our challenges are more related to climate change, moving non-food products around the world and aeroplanes in plastic... The various crises will come and go. But climate change is going to be a huge, a huge driver of change for all of us in the next five to 10 years.

– a UK retailer

The flower industry is having wide-ranging discussions to examine how to build a more sustainable supply chain over the long term, most notably through the creation of the Floricultural Sustainability Initiative (FSI),¹⁴ as well as investigating lower carbon freight options, such as refrigerated shipping. Indeed, Flamingo Flowers' sea freight project, also co-funded by the Vulnerable Supply Chains Facility, Flamingo Horticulture, and other flower sector businesses in Kenya, July 2020–June 2021

¹³ Martina Alig & Rolf Frischknecht (2018) *Lifecycle assessment cut roses*, Treeze Ltd https://files.fairtrade.net/publications/2018_LifeCycleCutRoses.pdf

¹⁴ www.fsi2025.com

¹⁵ From the findings of sea freight trials conducted as part of a pilot project co-funded by the UK Foreign, Commonwealth and Development Office Vulnerable Supply Chains Facility, Flamingo Horticulture, and other flower sector businesses in Kenya, July 2020–June 2021

Policies for change



Workers at Kongoni River Farm Ltd (Longonot)

Building a fairer and more resilient flower industry will require collective action, by flower farms, buyers, retailers and governments.

Below, we put forward ideas for how to build back fairer and create a more sustainable and resilient flower supply chain, in Kenya and East Africa. These recommendations are divided into two sections. The first relates to immediate priorities for the flower industry and to governments for 2021, in order to ensure flower farms and their workers are properly supported.

The second section puts forward proposals for a British Covenant, similar to the Dutch Covenant for Responsible Business Conduct in Floriculture. The Covenant would address, in a comprehensive and collective way, the medium and long-term challenges facing the flower industry, and the contribution the UK can make to tackling them.

These recommendations draw upon the research and analysis that Coventry University and Partner Africa have conducted for this project with suppliers and retailers farm workers, farm management, into their experiences of how COVID-19 affected the flower sector in Kenya.

Supporting flower farms through 2021

Research conducted for this project – summarised in the previous sections – has identified a number of priorities for ensuring that flower farms and their workers are properly supported in the remainder of 2021.

Recommendations to flower farm management

- Wages should continue to be paid in full, with minimum changes to contracts. Overtime should always be optional.
- Managers should continue to include Trade Union Representatives in any decision making around contract/wage changes.
- All farms, be they Fairtrade or non Fairtrade who are adhering to alternative certification schemes, should continue to work with trade unions to strengthen workers' rights, ensure freedom of association and collective bargaining and train workers on their rights.
- Gender committees should be established on all flower farms. Training should be offered to these committees and time/space allowed for these trainings.
- With the cost of commodities rising in countries like Kenya, flower farms should allocate land to support the creation of shared gardens for workers to boost food security. Farms should investigate the percentage

of workers who reside in rented accommodation and, if necessary, develop action plans to reduce this percentage so that workers are able to grow their own food.



A shared worker garden set up by the project at Kongoni River Farm Ltd (Galaxy) to increase workers' access to grown food. In total, the project was able to increase access to grown food for almost 3,000 workers.

- Farms are recommended to engage in pilots relating to diversification, whether through product or market (i.e. local) to reduce their vulnerability to shocks in global supply chains again. We recommend farms monitor and track market trends, identifying new demand and working with supply chain actors to risk-share new ventures. Some farms have already piloted this under the project, for example starting to grow filler flowers for packed at source bouquets or investigating the feasibility of beekeeping for honey production.
- Where they do not currently exist, farms are recommended to set up strong, robust grievance mechanisms on the farm that are gender sensitive and developed with the involvement of workers. Workers must be able to raise issues without fear of retribution. Workers have faced a heightened level of challenges during this time, and it is critical they have safe and confidential routes to voice those concerns.
- Worker well-being has been a challenge during this time, and we recommend all farms continue to consider means by which they can reduce the pressure on their workers and offer support. This could include free or subsidised food, free or subsidised lunches, paid time off during quieter times, or a thank you scheme to acknowledge their hard work during a difficult year.

Recommendations to buyers (suppliers and retailers)

- Buyers should seek to protect and nurture key, long-

term relationships with farms. Supply chains with strong pre-existing relationships were able to be flexible and cope best during the most difficult phase of the pandemic. As a priority, buyers should seek to protect existing supplier/retailer relationships – by actively listening to farm management about the challenges they face.

- Buyers should commit to observing all fair/ethical trading principles:
 - Providing sourcing plans covering *at least* six months where possible, and sticking to agreed contracting terms (a requirement of the Fairtrade Standard). The longer the sourcing plan, the greater security, investment and planning the farm can make. This can have a significant impact on their offer to workers.
 - Buyers' own risk matrices should account for the potential negative impact on their own supply that arises when farms experience difficulties as a result of actions such as retrospectively changing contracting terms, or the lack of clear sourcing plans.
 - Buyers should honour contracts previously agreed, and not cancel orders after they have gone into production. Where the end customer may have cancelled the order, every possible effort to re-direct the flowers to another buyer should be made. Suppliers may need to be willing to source from one another to reduce flower waste/cancelled orders for farms, even though they are competitors.
- Buyers could assist farms in the provision of funding and/or equipment for health and safety measures due to the unprecedented nature of the COVID-19 pandemic; this will help to offset farms' increased operating expenses. For Fairtrade farms, this may be done through purchasing a greater percentage of crop as Fairtrade, to increase the amount of Fairtrade Premium payments from which workers can benefit. For non-Fairtrade farms, this may be done by increasing the price that retailers are paying, to enable farms to use the additional income to build their resilience and support workers.
- Industry groups should support remote marketing and sales initiatives – to give farms opportunities to diversify their customer base and secure orders in the absence of the usual in-person opportunities to meet new customers.
- Increase the number of flowers purchased as Fairtrade
 - Return the percentage of Fairtrade purchases to the same or higher levels than were in place prior to COVID-19. With so much of the Fairtrade Premium spent on emergency COVID-19 relief, many workers have reduced funds for typical use of the Premium for school fees and loans, for example. It is vital that money is replenished through Fairtrade sales.

- The Fairtrade Premium payments are being used by 77% of the Fairtrade farms interviewed as part of the Trade Model Survey to directly fund the support they are providing to workers – an increase in Fairtrade purchases will make greater funds available to support the income and food security of flower farm workers at Fairtrade farms.
- In the early stages of the pandemic, Fairtrade Premium payments significantly outstripped the significance of other buyer/retailer donations in funding the support farms were providing to workers. The money was also immediately available, saving time for farms through long bureaucratic processes and acting as an immediate cushion during a time of crisis. The value of this existing cash cannot be over-emphasised.
- The introduction of a floor wage by Fairtrade in April 2019 has helped increase wages in some countries by almost 130 percent.
- Retailers should work with their communications and marketing colleagues to raise awareness with shoppers of the challenges facing workers, and the importance of purchasing ethical products. This should include sharing the stories and voices of flower farm workers with customers.
- Buyers should work with certification bodies to seek alignment on audit requirements and ethical and environmental certifications to make them more efficient for flower farm management, and reduce duplication pressures, especially in times of crisis.
- Retailers could work towards better alignment and agreement in relation to ethical and environmental certifications in order to reduce duplication pressures on growers.

Recommendations to the Kenyan government:

- Improve the enforcement of labour and occupational health and safety legislation.
- Improve social security systems for workers, to aid the most vulnerable workers whose incomes have been reduced as a result of COVID-19.
- Work with the financial sector to ensure banks are extending loan repayment timelines.
- Provide state assistance for equipment for health and safety measures to flower farms to support the protection of workers during unprecedented public

health crises such as COVID-19, and to minimise increased operating expenses for flower farms.

- Provide state assistance for childcare for working parents.
- Keep abreast of evolving international travel and import restrictions, and disseminate information to affected stakeholders.
- Have a contingency plan ready to support growers when international travel is interrupted or stops entirely. This could include having freight airlines on a retainer, ready to step in. The absence of this created enormous delays in farms being able to send orders during the worst months of the pandemic. Support investment into ports and shipping freight.
- Ensure accurate information on COVID-19 safety is disseminated to all workers, communities, areas and industries.
- Pass (or strengthen, if they have already done so) and uphold legislation that guarantees workers' rights, including ensuring freedom of association and collective bargaining.
- Where the fiscal situation allows, the government should improve the infrastructure surrounding the flower farms, including workers' housing, water and sanitation, free quality education, and roads and public transportation.
- At the COP26 climate change negotiations later this year, the government should represent the concerns of flower producers, including pushing for aid for climate change adaptation and mitigation.

Recommendations to certification bodies:

- Movement restrictions have meant that on-farm visits have been a challenge throughout 2020, though on-farm visits have begun to take place once more in some countries, alongside remote visits.¹⁶ Auditors should ensure on-farm visits return as soon as possible, and make use of complementary worker voice approaches, which have proven very informative and drawn attention to issues that have not previously been prioritised.
- As above, certification bodies should work with buyers to seek alignment on HRDD requirements and ethical and environmental certifications to make them more efficient for flower farm management, and reduce duplication pressures, especially in times of crisis.

¹⁶ Recognising the increased risk of human rights abuse due to the COVID-related movement restrictions, Fairtrade International wrote to all producers in early 2020 to emphasise that all Fairtrade Standards should be upheld despite the challenging circumstances. https://files.fairtrade.net/standards/AnnouncementPremiumCOVID19_EN_FINAL.pdf

A British Covenant on Flowers



Our second set of recommendations are to the **UK government** and **UK flower industry**. We propose creating a British Covenant for sustainable flowers, and below is a draft blueprint for how such a Covenant could be structured.

Established in 2019, the Dutch Covenant for Responsible Business Conduct in Floriculture¹⁷ is an exciting initiative aimed at creating a more sustainable flower sector. It includes a pledge to implement a floor wage above the World Bank global poverty line and make it a minimum requirement for all flowers sourced by Dutch flower traders, and to make further progress towards closing the gaps to living wages. Agreeing such commitments is a highly significant achievement, and one we can learn from in the UK.

As the third largest importer of flowers in the world,¹⁸ the UK has a key role to play in driving progress. VSCF project partners have expressed interest in exploring the creation of a British Covenant aimed at building a flower supply chain that is fairer, more sustainable and resilient to future shocks, with a focus on Kenya and East Africa.

Below are suggestions for the key elements that a British Covenant could encompass and the process for establishing it. These suggestions draw upon the research conducted during the VSCF project, as well as the terms of reference for the Dutch Covenant itself.

Aim

For the UK flower industry to play its part in creating a fairer, more sustainable and more resilient global flower supply chain, with a focus on Kenya and East Africa.

Objectives

The Covenant should focus action towards making progress in four key areas:

1. **Emergency Preparedness** – to identify, agree and implement measures to ensure flower farms are better able to absorb future shocks.
2. **Living Wages** – to identify, agree and implement specific actions that members will take to increase wages towards living wages.
3. **Climate Change** – to identify, agree and implement actions to help flower farms adapt to a changing climate in the coming decades, and to reduce the carbon footprint of flower farms and transportation into the UK.
4. **Gender Equality** – to identify, agree and implement actions to tackle gender inequalities on flower farms and empower women.

¹⁷ <https://www.government.nl/latest/news/2019/07/02/dutch-floriculture-sector-unites-for-more-sustainable-production>

¹⁸ Observatory of Economic Complexity (2018), *Trade Data of Cut Flowers* <https://oec.world/en/profile/hs92/20603>

Actions

To meet these objectives, members of the Covenant should agree upon a number of collective actions that they agree to undertake as part of the initiative. To drive progress towards tangible results, and to improve accountability, these activities should be time bound. The Dutch Covenant current agreement covers a three year period.

The following are a set of actions that members of the Covenant could agree to commit to.

Emergency Preparedness

The Covenant would identify, agree and implement measures to ensure flower farms are better able to absorb future shocks. This should include:

- Supporting flower farms to develop adaptive risk management systems, including crisis response management and planning. The OECD recommends farms adopt resilience-enhancing practices and technologies.¹⁹
- Buyers and retailers should agree a clear process, and set of fair/ethical trading principles, that they will follow the next time a shock hits the supply chain. This will contribute to a stable trading environment for buyers and therefore farms in which their ability to prepare and plan for shocks is increased. This should include sticking to agreed contracting terms, providing sourcing plans covering at least six months where possible, honouring contracts previously agreed, and not cancelling orders after they have gone into production.
- A contingency fund could be established to ensure that in times of crisis, farms are able to distribute resources (e.g. cash, PPE, food) quickly and efficiently. This could include a small levy on every stem that is then set aside for this fund.
- Flower farms should be supported to develop and deliver Supplier Development Strategies. This could include farms being encouraged to diversify their buyer portfolios, as this will help reduce dependence on particular markets. Farms should be encouraged to diversify their production portfolios, including growing fillers and foliage for packed at source bouquets. Producing some fruit and vegetables, in addition to flowers, will demonstrate adaptability, limit susceptibility to shocks confined to certain supply chains, and will enhance a farm's recovery when shocks do occur.
- Flower farms should be supported to measure and ultimately reduce the percentage of workers living in rented accommodation to allow them the freedom to grow their own food as this is often not permitted in rented accommodation. Where this is not possible, farms should be supported to provide land for shared gardens for workers, as these have been

shown to have a positive impact on family income and food security – especially with the rising cost of commodities in countries like Kenya.

- Certification bodies should strengthen complementary auditing methods for situations where movement restrictions are in place for public health or other reasons, such as through the use of worker voice approaches, which have proven very informative and drawn attention to issues that have not previously been prioritised. Particular attention needs to be given to ensuring that there is good internet connectivity, or alternative technology such as the use of text messaging, to allow farm management and farm workers to engage in the auditing process.
- Where possible and appropriate, certification bodies are encouraged to work together, with stakeholders such as ISEAL, to simplify HRDD requirements and ethical and environmental certifications to make them more efficient for flower farm management and reduce duplication pressures, especially in times of crisis.

Living Wage

- In alignment with the Dutch Covenant, members agree to implement a minimum floor wage above the World Bank's global poverty line (US\$1.9 per day in purchasing power parity terms) by end of the three year period at the latest.
- Members will embark or become involved in a project pursuing a living wage at the beginning of the value chain.
- Members pledge to develop a 'wage ladder' and work to increase wages year-on-year until Living Wages are paid at a future date agreed to by all parties (beyond the initial three year period).
- The Covenant will use the benchmarks for Living Wages developed by the Global Living Wage Coalition for relevant countries and regions that members source from. These include available benchmarks for the floriculture sector in Kenya (Lake Naivasha and Mount Kenya) and Ethiopia.
- Members would make use of tools such as IDH's Salary Matrix in order to assess the gap between current wages and living wage benchmarks.
- Members agree to ensure freedom of association and collective bargaining on all flower farms.
- At one of the buyer roundtables hosted by Coventry University, the share of value across the flower supply chain was discussed. Paying a fair price for the goods buyers and retailers purchase, one that incorporates the full cost of production, will help enable increases in wages to be realised. The Covenant could agree to consider the percentage of profit along the entire value chain and work to ensure a more balanced distribution of profit. This would need to be done in a manner that would be consistent with UK competition law (see below).

¹⁹ OECD (2020), *Strengthening Agricultural Resilience in the Face of Multiple Risks*

- Moves by developing country governments to bring in or increase minimum wage legislation should be supported (and not lobbied against).
- If wages increase (e.g. due to government legislation, or the success of this or another sustainability initiative), companies should commit not to switch sourcing to a country because it has lower wages (there have been concerns that this has happened in other contexts with other commodities).

Climate Change and Environmental Sustainability

- The changes needed to shift to low or zero carbon production in the flower industry may take several decades, beyond the scope of the first three year agreement of the Covenant. However, the group can still begin to put the industry on the path to a climate friendly future, by identifying and agreeing the collective changes that are needed, and beginning relevant programmes.
- This could include measures to help flower farms adapt to a changing climate in the coming decades, and reduce the carbon footprint on farm, such as:
 - Closed water loop systems
 - Precision applications of fertilisers (reducing their use through more efficient application)
 - Work to increase biological control of pests and reductions in pesticides through integrated pest management
 - Increasing the use of renewable energy
 - Investigate use of electric or low carbon vehicles on the farm
- A shift to low carbon production will come at a significant cost for farms, which Covenant members would need to support. This could be through longer term sourcing agreements to provide assurances of income for the farm to make investments, or it may be through financial contributions.
- Options for shifting to low or zero carbon transportation in the coming decades, such as shifting to refrigerated shipping and solar air freight, should also be explored by the Covenant.
- The introduction of Human Rights and Environmental Due Diligence (HREDD) legislation is welcomed to ensure that businesses are complying with their environmental and human rights commitments. However, care needs to be taken to ensure that such legislation does not burden farms with the cost of complying. Alongside the inclusion of practices to support the achievement of living wages, the Covenant could also include commitments to increased funding by UK businesses and government to support environmental mitigation measures, which support farms to reach HREDD requirements.
- The Covenant would seek to align with research and discussions on the above issues being led

by other relevant initiatives, including FSI, the VSCF project partners piloting refrigerated shipping, and cross-commodity initiatives such as the British Retail Consortium’s climate roadmap.

Gender Equality

- The Covenant would identify, agree and implement actions to tackle gender inequalities on flower farms and enable women to claim their rights.
- Fully supported and well-functioning gender committees should be established on each flower farm.
- Robust and gender sensitive sexual harassment policies (grievance mechanisms, remediation) should be established on all flower farms.



Cases of gender based violence increased in Kenya during the pandemic. In order to raise awareness, the project produced these posters as well as a radio programme covering gender based violence.

- Further actions (programmes, projects) that could be agreed and implemented by the Covenant include:
 - Gender empowerment training
 - Good quality, subsidised childcare facilities
 - Monitoring and eliminating wage differences between men and women
 - Women’s leadership training
 - Training to support women’s career progression within the farm

Governance

Membership

To ensure that the Covenant comprehensively addresses the different challenges at each level of the supply chain, and has adequate support from all parties, it is recommended that this initiative is open to membership from a range of stakeholders. This could include:

- Retailers and florists (in-store and online)

- Garden centres
- Buyers (suppliers)
- Flower farm management
- Trade unions (TUC)
- Workers representatives (TUC, producer representatives)
- Certification bodies
- NGOs
- Trade bodies (FNET, ETI)
- The UK Government (Foreign, Commonwealth and Development Office, Department of Trade)
- Academia/researchers

Steering Committee

The Covenant could follow a similar governance to the Dutch initiative, with an annual general meeting open to all parties, but with responsibility for the implementation and day-to-day governance of the Covenant being led by a Steering Committee. The Steering Committee should comprise of members from each group of stakeholders, with each group of stakeholders agreeing amongst themselves who will represent them. The Steering Committee should be chaired by an independent chairperson appointed by all the members.

As with similar multi-stakeholder initiatives, staff from member organisations who participate in the Steering Committee would do so on a voluntary basis as part of their current job within their own organisation. As such, it will be important that those organisations support their staff to have enough time to participate, adjusting their personal objectives and work schedule accordingly. Without this, those individuals will either be overworked, or the Covenant will achieve less.

Thematic Working Groups

A working group would be established for each thematic area of work (see Actions, above) to identify, agree and implement specific actions that members will take. The working groups would report to the Steering Committee. A representative from the women's rights working group should participate in each of the other working groups, given the cross-cutting nature of women's rights.

Host organisation

Even with a well-functioning Steering Committee, the multi-stakeholder initiatives, including the Dutch Covenant, usually have a small secretariat made up of one or two full time staff members, often employed by a host organisation (or host organisations). IDH host the Dutch Covenant, and in establishing the British Covenant,

it should be explored who is best suited to host a secretariat. IDH, Fairtrade, the Ethical Trading Initiative, FNET or Coventry University through its Sustainable Cut Flower Group, could be suitable hosts or joint hosts.

Financing

To provide for this small secretariat, as well as the various activities of the Covenant, there will need to be adequate financing provided by parties to the agreement. The Covenant could follow the example of the Dutch-led Floriculture Sustainability Initiative in charging membership fees, with the amount varying according to the type of organisation and their size or annual revenue.²⁰ UK Aid could also contribute, and grants from philanthropic foundations could also be sought.²¹

Avoiding duplication

A British Covenant should seek to align with existing initiatives, such as the Dutch Covenant and the FSI, aiming to harness the energy and resources of the British flower industry to multiply impact, rather than duplicating current projects or creating other inefficiencies. In particular, care will need to be taken to ensure that flower farms are not burdened with additional levels of reporting requirements unless absolutely necessary. Annual or six monthly meetings could be established between the Steering Committees, and Secretariats of a British Covenant, the Dutch Covenant and the FSI to share plans and explore opportunities to align or avoid duplication, with more regular quarterly meetings for the thematic working groups. There is regular dialogue between national-level multi-stakeholder initiatives on sustainable cocoa in different European countries (GISCO, DISCO, SWISSCO and Beyond Chocolate in Belgium) that may be able to offer advice on how to work collaboratively and efficiently.

Competition law

It will be important to consult with legal experts from the design stage onwards to ensure that the Covenant is designed to be fully compliant with competition law, while also allowing agreements to be reached on issues such as living wages.²²

Public awareness

Members agree to work with their communications and marketing colleagues to raise awareness with shoppers of the challenges facing workers, and the importance of purchasing ethical products. This should include sharing the stories and voices of flower farm workers with customers. The UK government should look to include their stories in the international development sections of the education curriculum.

²⁰ FSI membership rates are listed on page 3 http://www.fsi2025.com/wp-content/uploads/2021/03/20210312-FSI-Membership-Application-Form_FILL.pdf

²¹ The Dutch Covenant is 60% public financed and 40% private financed. It should be noted that in 2021 UK aid will be 0.5% of GNI, down from 0.7%, so it is likely a greater contribution will be needed from industry and philanthropic foundations.

²² Sophie Long & David Taylor (2019), *Competition Law and Sustainability: A Study Of Industry Attitudes Towards Multi-Stakeholder Collaboration In The UK Grocery Sector*, Fairtrade Foundation <https://www.fairtrade.org.uk/resources-library/researching/policy-resources/competition-law-and-sustainability/>

Process

VSCF project partners in the Building Resilience in Flower Supply Chains project have expressed an interest in keeping in regular dialogue once the project comes to an end, looking into the feasibility of a pilot project on living wages, and exploring the creation of a Covenant.

The project leads, Fairtrade and MM Flowers, would like to propose hosting a roundtable discussion later in 2021 with interested stakeholders to begin talks towards a British Covenant. The meeting would explore hopes and aspirations participants would have for such an initiative. If agreement is reached to set up such a body they would facilitate the establishment of a Working Group of interested parties tasked with drafting an Agreement.

This would be signed by all members at a future date (with a view to extending this to wider stakeholders moving forwards).

The Working Group would use the recommendations for structure and thematic areas referenced above, but may

want to consider additional thematic areas such as on supply chain transparency.

We look forward to discussing the recommendations in this report with flower industry stakeholders and the UK and Kenyan governments.

Establishing a new multi-stakeholder initiative will take time, effort and resources. But a British Covenant offers an opportunity to tackle the challenges facing the flower supply chain in Kenya and across East Africa in a comprehensive way, and build a fairer, more resilient and more sustainable supply chain in the years ahead.

Change will only happen if stakeholders engaged in the flower industry – from farm managers, suppliers and retailers, to trade unions, civil society and certification bodies, and governments – engage seriously with the recommendations proposed in this paper and make this British Covenant a reality. This project may be at an end, but our work is only just beginning. It will not be easy, but the prize of that hard work will be a world in which flower farm workers and their families live a life of dignity.

Annex: Research methodologies

The following methodologies were used for the three pieces of research conducted during this project.

Worker Voice and Farm Management Survey

To gain insights from workers, Partner Africa used a mixed-method approach of quantitative surveys and qualitative interviews and focus group discussions. Working with *&wider*, a 21 question survey was shared with workers via their mobile phone or via a call-in service, using phones provided by the farm management on two occasions: November 2020 to gather baseline data and May 2021 for end-line data. All questions were closed questions, framed so workers can answer Yes, No or Don't Know to each question. The total number of workers surveyed at baseline was 2,220 and 1,234 at end-line, with similar demographics in both: at baseline 51% identified as female, 62% identified as under 35 and 16% identified as disabled; at end-line 52%, 61% and 18% respectively.

A further online survey was sent directly to management of the farms directly engaged in VSCF project at baseline and end-line. At baseline, this was a longer version of the Trade Model survey (detailed below) with additional questions linked to project objectives. At end-line, this also included some targeted questions on changes as a result of the project. Responses came from all 11 flower farms engaged in the majority of project activities delivered through the project.

Contextual and qualitative information was gathered through on-site visits to seven flower farms where a cross-section of the workforce was interviewed. This included 21 workers, 7 Gender Committee representatives; 6 Union representatives; 7 Farm Managers or HR Managers; and 7 Focus Group Discussions (FGDs) with approximately 28 representatives from Fairtrade Premium Committees or Worker Welfare Committees.

Due to a short project cycle, the time between baseline and end-line was relatively short (approximately six months) and many of the project's key activities were only implemented just before the last data collection period. Therefore, workers would not have yet felt the positive benefits of these interventions at the time of responding to surveys. Also, the short time period between data makes it difficult to see significant improvements.

Flower Farm Trade Model Survey

The target respondent for the research by Partner Africa was farm management in the floriculture sector, at farms of various sizes and representing both Fairtrade and non-Fairtrade farms.

To be able to reach respondents remotely, to be able to quantify behaviours and to be able to examine the overall data for trends, the chosen methodology was to gather quantitative data via an online survey, circulated via SurveyMonkey. Alongside this Trade Model survey, a longer version of the survey was circulated to a smaller number of farms (those that were due to receive support from the project), and these were also included in this analysis.

Created by Partner Africa, in collaboration with the Fairtrade and MM Flowers, the survey questions were designed to gather information and to capture the experience of each respondent in respect of the impact of COVID-19 on their farm – from external influences including buyer behaviours and available supports, to internal actions including changes to operations and adaptations to CSR practices.

The original project design also planned for field research to gather qualitative data in October / November 2020, to corroborate the quantitative data from the surveys. However, restrictions due to COVID-19 made field research impossible at the time of writing and therefore this report focuses on quantitative data, secondary research, and where relevant, discussions with project partners.

Data collection

The online surveys were launched via email in October 2020 and collection was finalised in December 2020. Circulated by Fairtrade Africa, MM Flowers, and IDH to over 90 farms, the surveys were distributed to farms in Kenya, Ethiopia, Tanzania, Uganda and Zimbabwe.

A total of 55 farms responded, either in whole or in part, to the two surveys. However, 24 of the 55 respondents provided insufficient answers across the survey, therefore, the substantive data set, upon which most of the statistics and analysis presented in this report are based, is a consolidated sample of 31 farms. This included 22 Fairtrade-certified farms, and 9 non-Fairtrade certified farms, which are estimated to employ approximately 18,400

workers in total. 84% of respondents were in Kenya, 6% in Tanzania, 6% in Uganda and 3% in Zimbabwe.

It is important to also recognise that the farms taking part in this survey are more likely to be actively engaged in an ethical trade agenda. Furthermore, there are limits to the inferences derived in this quantitative data set alone, without the benefit of being contextualised with qualitative data sources.

Research into purchasing practices and consumer behaviour

Coventry University's research utilised a mix of methods to investigate changes and challenges in the buying practices of UK retailers and their impacts at different stages of the pandemic, and to track changes in and drivers of consumer behaviour during this period.

Primary data collection from key flower sector stakeholders

Primary data was collected via three main approaches: key informant interviews (17), focus groups with flower growers (2) and roundtable discussions with major UK retailers and industry figures (5). The purpose of these data collection techniques was to offer different stakeholders within the industry the opportunity to share their experiences and to understand how different parts of the supply chain have been affected. This included a variety of stakeholders from along the supply chain with a stake in the cut-flower industry, including UK and European retailers (sustainability managers and buyers), UK-based suppliers, Dutch-based suppliers, the Floriculture Sustainability Initiative, a certification body MPS, the Food Network for Ethical Trade (FNET), florist/growers from Flowers from the Farm, Farm Africa, The British Florist Association (BFA), NGOs advocating for flower workers' rights, and Union Fleurs.

Secondary data collection from marketing databases and thematic analysis of publications

Secondary data was captured via the mainstream media, trade press and social media. These sources were targeted in order to track responses to the pandemic and reports of its impact as it unfolded during 2020/21. These sources provide important context for the testimonies of industry stakeholders engaged in interviews, focus groups and roundtables. Specialist market research databases and outputs accessible via University-owned licences were accessed in order to capture insights into retail trends and projections during the pandemic, for example Mintel and Nielsen reports. Additionally, we reviewed academic research focused on changing consumer behaviour in the last year, especially where it relates to ethical criteria in purchasing decisions. These secondary sources were monitored throughout the lifetime of the project.

Five main databases were identified as most relevant to this research: Mintel, Passport Euromonitor, IBISWorld, Statista and Marketline on Business Source Complete. The project benefits from full access to these via Coventry University. In the method's design, key search terms were identified and criteria developed for including search results. This included publication date, common themes and consumer purchase context. The same search terms were used with each source for consistency, and saturation point was met when no new reports that met the criteria were identified. Over 1,600 reports were identified as relevant to the key search terms and selection criteria during two rounds of reviewing these five databases. Scanning of these identified the report that best matched the needs of this study and was used to select examples of the recurrent themes. Some reports were also deemed to be pivotal in providing original data. Additionally, we reviewed academic research focused on changing consumer behaviour in the last year, especially where it relates to ethical criteria in purchasing decisions. These secondary sources were monitored throughout the lifetime of the project.

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