

ETHICAL ACCREDITATION

PART ONE – SUMMARY REPORT

FOR

ORGANIC FARM FOODS

January 2010

Introduction

The Ethical Company Organisation was commissioned by Organic Farm Foods on 18th December 2009 to do a full ethical audit on the company, in order to gain *Ethical Accreditation* from The Ethical Company Organisation.

Summary Results

The following Part One Summary Report shows that Organic Farm Foods, relative to other Companies in the Fresh Fruit & Vegetables sector, successfully reached the overall CSR benchmark required by The Ethical Company Organisation to qualify as an accredited 'Ethical Company'.

With reference to the Environmental Report criterion, a top rating has been awarded on the basis of the Company Principles document that was submitted to our Research Team. However we strongly recommend that Organic Farm Foods publish an Environmental Policy or Report on their website in accordance with the principles outlined in this document.

A full Part Two competitive report covering 12 companies will be supplied as soon as completed by the end of January/beginning of February.

Our Summary Committee Decision

The Ethical Company Organisation hereby awards Organic Farm Foods outright official *Ethical Accreditation* status and logo usage, according to the terms and conditions document.

Research Notes

All company records have been thoroughly researched by The Ethical Company Organisation's in-house research department.

Our research looks at the ultimate holding company's corporate social responsibility records with regards to the environment, animal welfare and human rights. The research criteria are tailored to each industry sector.

How to Read the Tables

The full report will include a product table showing how each company scored. The ratings on the tables published in *The Good Shopping Guide* represent criticism from environmental, animal welfare and human rights' organisations across the world - not all the categories included in the book are relevant to the Food sector, so not all will be included in the research. The table is divided into the broad areas of Environment, Animals and People and then sub-divided into more specific categories. Most are self-explanatory but it is useful to understand the practical issues and dilemmas behind some of the categories. These issues are explained below.

THE ENVIRONMENT

- Environmental Report

The quality of a company's environmental reporting can say a lot about its ethical standards. As such reports become more commonplace it is getting easier to rate companies on their efforts: a good report will contain fixed targets as opposed to vague statements of intent. Companies which fail to publish any report get a bottom rating; companies with inadequate reports get a middle rating. To earn the top rating the report must be dated within the last two years and must set concrete and company-wide performance targets; it also has to demonstrate an understanding of the company's main impacts (nb. smaller companies' environmental reports may be less comprehensive but may still earn a top rating – specifically if the nature of their business is ethical).

- Genetically Modified Organisms (GMOs)

No one really knows the possible effects of GM food on our health and the environment and the public and certain NGOs are therefore anxious about their use. Releasing genetically altered organisms into the environment could disrupt ecosystems, and genetically modified crops have been proved to be more harmful to many groups of wildlife than their conventional equivalent.

New 2004 EU regulations for the labelling of genetically modified foods and feed require that all food products that make direct use of GMOs at any point in their production are subjected to labeling requirements, regardless of whether or not GMO content is detectable in the end product. GMO content that is below the prescribed threshold remains unlabelled, as long as it is due to an unintentional and technically unavoidable mixture. The threshold only applies to GMO content that has been authorized in the EU, and therefore is considered safe. (Source: GM Compass).

A bottom rating indicates that the company uses GM ingredients in any of their products. The top rating is awarded to companies which clearly state that they do not use GM ingredients in their products or where no negative records were found.

- Organic

Companies which have one or more **certified** organic products in their portfolio receive a top rating in this category. Organic farming benefits the environment by encouraging biodiversity by reducing the use of pesticides which can be harmful to both the food itself and also to wild flowers, insects and other wildlife. There are several organic standard schemes certify that the organic growers meet certain minimum criteria.

And these schemes also insist on high levels of animal welfare and a reduced use of antibiotics and hormones in everyday animal care. Organic schemes also help to keep farms GM free as they ban the use of GM products.

- Nuclear Power

Some nuclear industry specialists are also involved in the production of consumer goods and these are reflected in the tables. A bottom mark indicates the company is involved in the design, construction or operation of nuclear power stations, radioactive waste handling and/or the mining, processing or reprocessing of uranium; it also may indicate the production of other nuclear-related equipment, such as monitoring facilities for example.

ANIMALS

- Animal Welfare

A top rating is given to companies which do not conduct or commission animal testing and have not been subject to continuing criticism from animal rights organisations such as the BUAV and PETA.

PEOPLE

- Political Donations

A middle rating indicates that the company has donated more than £10,000 (or more than \$18,900) in the last 5 years to a party-political organisation in the UK or the US. A bottom rating indicates that the company donated more than £50,000 (or \$94,500).

- Armaments

In the table, a middle rating represents involvement in the manufacture or supply of nuclear or conventional weapons including: ships, tanks, armoured vehicles and aircraft; components of weapons' systems; fuel, computing and communications services; systems aiding the launch, guidance, delivery or deployment of missiles. Non-strategic parts of the military, such as catering services, are not included in this list. A bottom rating indicates that the company is among the one hundred largest arms-producing companies, according to data compiled by the Stockholm International Peace Research Institute (SIPRI).

- Fair Trade

Companies are given full points for any products which are **certified** as Fair Trade. A fair trade relationship between developing world producers and the buyers of commodities like tea, coffee and chocolate is increasingly key for avoiding the corporate exploitation of some of the poorest people, worldwide.

The Fair Trade Foundation runs an audit scheme which ensures that the growers or producers of goods marked with the Fair Trade mark have received a fair price for their goods. This enables more money to go back into their communities to help with everything from education to health care.

- **Ethical Trading Schemes** - Companies which are a member of the Ethical Trading Initiative (ETI), or Fair Labor Association (FLA) or have been awarded the Soil Association Ethical Trading Standards Certificate are awarded a top rating as this shows their commitment to fair working conditions and helps to prevent the exploitation of workers in the supply chain.

OTHER COLUMNS

- Boycott Call

This column can be problematic since a boycott may be called by groups across the political spectrum. It is important, therefore, to be clear about the reasons why a particular boycott has been called. A bottom rating indicates that a boycott of either the brand or the company group has been called (and has not been dropped).

- Public Record Criticisms

A bottom rating indicates criticism in the last five years from NGOs such as Friends of the Earth and Greenpeace. The huge range of criticism covered in this column mainly relates to the environment; companies which pollute and companies which support environmentally destructive projects are penalised here. Undue political influence, exercised through lobby groups and industry associations, and involvement in political corruption, are also represented in this column. Companies have been penalised if they are part-owned by a separate company which has been the subject of severe criticism from campaign groups or is heavily involved in the armaments and nuclear industries. If a company owns more than half of another company's shares, it is listed as the company group.

- Ethical Accreditation Scheme

The companies which have successfully joined The Ethical Company Organisation's *Ethical Accreditation* scheme have been thoroughly screened by our team of researchers and receive a top rating within this column.

- Ethical Company Index

The Ethical Company Index provides one overall index rating for each company. Based on the company performance elements presented in the tables, the top, middle and bottom ratings on the tables usually convert to ten, five and zero Ethical Company Index points respectively. Some categories, however, are weighted slightly differently according to the level of NGO and consumer concern. Due to the number and range of issues involved within the 'Public Record Criticisms' column, this has been weighted to 20 points for a top rating (no criticisms), 10 points for a middle rating (one criticism) and 0 points for a bottom rating (two or more criticisms). Each Company's total points are then converted into a percentage score, which becomes the Ethical Company Index.

More information about The Ethical Company Organisation

The Ethical Company Organisation's research methodology is now widely accepted as the benchmark for comparing companies' overall Corporate Responsibility Records. Working with the UK's most acclaimed CSR companies across all sectors, this involves four main Ethical Company Organisation operations: –

1. Research (using over 100,000 documents, court reports and other information sources to build an ethical profile on the world's companies)
2. Ethical Accreditation (company certification scheme whose members include the UK's leading CSR opinion-forming companies)
3. Publications (includes *The Good Shopping Guide* which is the world's best-selling 370 page ethical analysis of the UK's top 700 brands – used by consumers, NGOs and businesses alike. You can get a copy at bookshops or direct from www.ethical-company-organisation.org)
4. GOOSHING (the world's highest-traffic ethical shopping consumer information portal with over 250,000 live prices/products/ethical comparisons)

For more information see www.ethical-company-organisation.org

DETAILED RESEARCH BY COMPANY
(Provisional report)

Brand / Company:	Organic Farm Foods
Environmental Report:	A document with details of Organic Farm Foods' Principles, which also includes Environmental guidelines, was sent to The Ethical Company Organisation in December 2009. This document meets our requirements and a top rating is therefore awarded.
GM:	No negative records found.
Organic:	Organic Farm Foods specialise in the supply of organic fruit and their products are certified by the Soil Association.
Nuclear Power:	No negative records found.
Animal Welfare:	No negative records found.
Political Donations:	No political donations were found.
Armaments:	No negative records found.
Fair Trade:	Organic Farm Foods sell products which are certified with the Fairtrade Mark.
Ethical Trading Schemes:	Organic Farm Foods have gained the Soil Association Ethical Standard Certificate and are members of Sedex.
Boycott Call:	No negative records found.
Public Record Criticisms:	No negative records found.
Ethical Accreditation:	Organic Farm Foods attained Ethical Accreditation in January 2010.
Ethical Company Index Score:	100